# Daily Report

# Latin America

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## Latin America

*FBIS-LAT-92-142* *23 July 1992*

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### Colombia

According to Santa Fe de Bogota Radio, a military operation carried out at Envigado prison resulted in "the safe and sound release of the two hostages, including the acting director of the prison." In a separate report, Santa Fe de Bogota Radio announced that Pablo Escobar is "missing" and that "authorities have not been able to establish direct contact with him." Deputy Justice Minister Eduardo Mendoza, one of the hostages released, told Santa Fe de Bogota TV that one of his captors began to issue orders "to persons who were presumably working with them in Medellin" to prepare to make it "rain dynamite." In a speech carried by Santa Fe de Bogota Radio President Gaviria confirmed that Escobar was missing and stated that it had been decided to "continue the search for him." Gaviria also announced that he had postponed his official trip to Spain "to face this challenge to the state and society."

### Peru

Lima TV reports that President Alberto Fujimori held an "extraordinary meeting" with "some" cabinet members and the "top command" of the Armed Forces. The area around the presidential palace was closed for "security reasons." The participants "reportedly" were "assessing violence in Lima in light of the increase in terrorist activities." A Santiago TV report says "unconfirmed rumors indicate that a group of Armed Forces members" wants Fujimori to resign in favor of former vice president Maximo San Roman.

### Brazil

Rio de Janeiro TV reports that the information collected by the Congressional Investigating Committee (CPI) will be given to the Federal Revenue Office. The CPI believes that there is enough evidence to file a lawsuit "for the largest tax evasion case ever" in the history of the Federal Revenue Office. In addition, the CPI believes that there is enough evidence to sue Paulo Cesar (PC) Farias, among others, for perjury.

According to O ESTADO DE SAO PAULO, the accusations made by former Deputy Curio against Farias reveal "electoral fraud and the clear connection between Farias and President Fernando Collor." Curio also stated that "PC maneuvered to take control over Serra Pelada (a gold producer in the country) through the enterprise of a friend."

O GLOBO reports that President Collor's assistants and advisors are "working on a dossier that will be used to defend the president." The dossier will contain "bank statements, income tax statements, and other data concerning the president's assets. The defense dossier has not been released as the president's advisors "think it is still too early to release it."

### Nicaragua

Managua Radio reports the mayors of Chontales, Coaca, Zelaya Sur issued a communique to express their position on the "serious national crisis arising from the notorious cases of corruption" which led to recommendations in the U.S. to suspend economic aid to Nicaragua. The mayors claim Nicaragua "has been betrayed by those who were put in power" and cite the government's "indifference" for the increase in "selective murder implemented by the FSLN" against the Nicaraguan Resistance. The mayors "demand the immediate removal" of Antonio Lacayo "so he may be tried for the grave charges of administrative corruption" which the Comptroller General's Office filed against him as well as the dismissal of Humberto Ortega as commanding general of the Army and Sandinist Commander Rene Vivas from his post as National Police chief.

## Cuba

### Panel Discusses Changes to Constitution

*FL2207192892*

[Editorial Report] Havana Cuba Vision Network in Spanish at 0110 GMT on 22 July carries live its "Open Agenda" program on changes made to the Constitution during the National Assembly of the People's Government [ANPP] session which was held from 10 to 12 July. Program host Antonio Resillez introduces his guest panelists: ANPP Secretary Ernesto Suarez and Supreme Court President Dr. Raul Amaro Salup; both men were delegates to the ANPP session. Resillez says the program will focus on basic topics that were modified in the Constitution, including property, the practice of religion, access to tourist facilities, the state of emergency, and improvement of the ANPP.

Suarez notes that 56 articles were modified and two new articles were incorporated into the Constitution, which is currently composed of 137 articles grouped into 15 chapters. He notes that the changes to the preamble consisted mainly of the inclusion of ideas of Jose Marti. In response to Resillez's question on why the changes were not submitted to a referendum, Amaro comments that Article 137 lays out very precisely the way to make changes to the Constitution. He adds: "Article 137 establishes two possibilities—complete or partial reforms—and included within the partial reforms is a third possibility, which concerns the articles that refer to the formation and powers of the ANPP and Council of State, and the principles that establish the fundamental rights of citizens." He goes on to say that partial reforms that do not affect these specific articles, as in this case, do not require a referendum.

Suarez states that the topics that were discussed most were those dealing with sovereignty, foreign policy, the economic problems of ownership, religious problems, education, culture, the family, and articles relating to the people's councils.

Resillez notes that Article 43 was not modified and asks why. Suarez explains: "This article contains all the rights that our state guarantees its citizens. One of the clauses, one of the paragraphs of this article establishes the right of all citizens to enjoy all our recreational facilities, hotels, restaurants, cabarets, etc." He notes that as a result of the discussions, the conclusion reached was that: "First, it is a right that all Cuban citizens have, a right in which the letter and the practice really match, because we can say that all our people, all our citizens can participate, can in fact enter and enjoy all these benefits, all these facilities. But as the people know very well, due to the economic situation which Cuba is experiencing, we have seen the need to introduce some mechanisms along the way that will allow us to confront and resolve these situations we are in, and this includes the joint enterprises."

Suarez explains that joint enterprises began to operate through the tourism network, saying that several hotels are managed by joint enterprises, but that state-managed hotels are available to the Cuban people. He adds that these hotels bring in hard currency, and the country needs hard currency, noting that Cuban participation in these joint enterprises brings hard currency. He says that the people know that this is just temporary. He says that Cuba exports tourism just as it exports sugar, tobacco, and citrus fruits, and these hotels provide employment opportunities to the Cuban people. For all these reasons, this article was left unmodified. Amaro emphasizes: "This right exists and will continue to exist, and within the possibilities [words indistinct] of the state, everything is accessible based on the principle of merit."

Resillez asks his guests to comment on the modifications made to the articles on ownership. Suarez comments that Article 14 "establishes that in the Republic of Cuba the governing economic system is based on the socialist ownership by all the people of the fundamental means of production and the elimination of the exploitation of man by man," and that the law should establish the regulations for this. He says that the term, "fundamental means of production," covers only those means that are necessarily social property. He states: "We are referring to those things which are decisive in Cuba's economy, which determine the ability to fulfill the levels of services that our state provides to the people. When we use this definition for this concept of ownership, we are referring to the land; that is, of course, the land which does not belong to the small farmers or the cooperatives made up of the small farmers. We are referring to the mines, factories, sugar refineries, and enterprises. We are referring to the various medical, educational, cultural, scientific, and sports facilities. As you can see, they are what determine Cuba's economic development."

Resillez asks Amaro about the meaning of this change. He replies: "First, it eliminates an absolute concept; and secondly, it constitutionally guarantees the possibility of promoting capital investment without affecting the essential principles of our state, which allows us to develop. It is important to keep in mind the current changing international situation and that Cuba had organized its foreign trade in a certain way, linked to the now extinct socialist bloc and the Soviet Union. Eighty-five percent of our foreign trade was linked to these countries, and it has abruptly ceased." He notes that this change is a way of opening up trade possibilities with the world as it currently exists. "This will allow us to progress without renouncing fundamental state principles, as I have said, and to consolidate our country's economic development."

Resillez asks Suarez which articles related to Cuba's system of government were modified. Suarez says that the chapter on local government bodies was almost completely modified. He notes that the local system of government was considering the election of an executive committee, requiring that the members be delegates to the assemblies, and within these bodies, they would

select who would be responsible for carrying out these administrative functions. With reference to the electoral system, Suarez notes that delegates to the provincial and national assemblies will be elected by direct, free, and secret vote.

Amaro says that the Constitution sets the principles, and the regulations must be worked out through the laws. He comments that with regard to the direct election of delegates to the provincial and national assemblies, "the electoral law will establish the way in which this whole election process will occur." He says: "We have the commitment, that is, the commitment exists to discuss the electoral law sometime this year, possibly in October." He notes that this law will probably be debated by the ANPP in an extraordinary session in October, that he does not know when the law will be implemented. He cannot guarantee that it will be in December, but once the law is approved the election process will begin.

Resillez next asks what modifications were made to the article on the practice of religion. Suarez cites Article 54 of the Constitution which guaranteed everyone's right to practice religion within respect for the law, and that the law would regulate the activities of the various religious institutions. He notes that as part of the modifications, Article 8 states that "the state recognizes, respects, and guarantees religious freedom. In the Republic of Cuba, religious institutions are separate from the state. Further on Article 42, in the chapter on equality, states that there can be no discrimination based on race, skin color, or religious belief." He notes that Article 43 grants all these rights to all citizens and that Article 55 says that the state "recognizes, respects, and guarantees the right of all citizens to change their religious beliefs or not to have any, and to profess whatever religion they choose, within respect for the law."

Changing subjects, Resillez asks about the reasons for including provisions about a state of emergency in the Constitution. Amaro explained that this has caused some concern. He notes that these kinds of provisions are not unusual; they exist in many of the Latin American constitutions that were studied, and in different Cuban constitutions. He says the only thing this constitutional principle does is recognize the possibility of declaring a state of emergency in the face of an extremely serious situation. Amaro notes that the handling of a state of emergency would be "discussed and provided for within the law." He lists some circumstances that might warrant declaring a state of emergency, such as a natural disaster when people need to be evacuated from their homes.

Resillez asks about the articles on the status of foreigners in the country. Suarez and Amaro talk about efforts to establish what the rights and responsibilities of foreigners living in Cuba are. Amaro states that there is no projected date when a law on this will be implemented, because the current priority is the electoral law.

Resillez states that there is still more to discuss, but that the important points have been covered. Suarez notes that as Article 1 of the Constitution states: "Cuba is a socialist workers' society, independent and sovereign, organized by everyone for everyone's benefit, as a unitarian and democratic republic for the enjoyment of political liberty, social justice, individual and collective welfare, and human solidarity."

The 45-minute program concludes with the following excerpt of Fidel Castro's speech made at the closing session of the ANPP: "We are going to show how a revolution can indeed be effected, employing democratic principles. We are going to demonstrate how democracy can be practiced, even though there is a single political party. Furthermore, we are going to do it, as Juanito Escalona was saying, under the most difficult of conditions. But I think we can be proud of what we have done, of the firmness of ideas that we have maintained, of not having made the slightest concession at the most difficult of moments, and at a time when we have been left practically alone in the world, to be defending socialism."

## Relations With Colombia, Venezuela Considered

*PA2207141392 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Jul 92*

[Commentary by Roberto Morejon]

[Text] After Cuba and Colombia reestablished relations in 1991 and after Cuba's normalization of relations with Venezuela in 1989, the diplomatic offices of those countries set to work to increase exchange in all fields. This increase in diplomatic relations, which is very positive in light of the upcoming Ibero-American Summit to be held in Madrid, was recently underscored in Havana by the highest diplomatic officials of these two South American countries.

Gustavo Orozco Restrepo, Colombian consul in Havana, who has been here for only six months, told reporters his work is progressing under very favorable conditions, as are bilateral relations. The work by Colombians in Havana and Cubans in Santa Fe de Bogota has allowed a large number of businessmen from this southern nation to travel to Cuba, the largest Caribbean island. Orozco Restrepo said his country's businessmen are interested in exchanging products; promoting joint production ventures; investing in jointly owned corporations; providing new capital investment; and using Cuba's industrial infrastructure, which is partially inactive after the drop in trade with the former socialist nations.

Venezuelan Ambassador Maria Clemencia Lopez de Jimenez told reporters that she had received some wonderful things from the island: a warm welcome and the facilities Cuba offers to accomplish her mission. Cuba and Venezuela agreed in April to develop a program to fight drug trafficking, which includes the creation of a joint commission. In January the two countries signed a

sports cooperation agreement by which the number of Cuban specialists providing assistance to athletes in 17 of Venezuela's 21 Venezuelan states was increased from 63 to 127. The Venezuelan ambassador, who ended her tour of duty in Havana, summarized her impressions of the island, saying: The most beautiful experience I take home from Cuba is seeing how you are capable of solving any problem, without forsaking your solidarity for the people of Latin America and the world.

### Colombian Solidarity Croup Arrives With Aid

*FL2207115092 Havana Radio Progreso Network in Spanish 1130 GMT 22 Jul 92*

[Text] A Colombian group made up of about 50 people in solidarity with Cuba arrived in Havana on 21 July with a shipment of medicine and other scarce materials. The Colombian delegation was invited by the Cuban Institute of Friendship with Peoples and will stay in our country for 10 days, during which time they will expand their knowledge about socioeconomic aspects and work in agricultural tasks with the European Jose Marti Brigade.

### Nickel Industry Development Project Viewed

*FL2207190092 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Jul 92*

[Text] A new UN Development Programme [UNDP] contribution to the development of the Cuban nickel industry began to become a reality today, when a project was signed for the completion of a pilot plant in Moa, in eastern Cuba. Here is journalist Carlos Santana Ojeda with more information.

[Santana] This is a project directed toward researching the technique of acid excitation under pressure with a view to obtaining nickel and cobalt, metals which Cuba possesses in its enormous reserves of lateritic minerals. It is believed that research at the pilot plant—research which should be ready within a maximum of three years—will lead to substantial savings for Cuba—savings of over $21 million— since they will permit an increase in the amount of nickel and cobalt extracted per ton of mineral, increase the purity of the nickel, reduce energy consumption, and pollute less. The document was signed by Minister President of the State Committee for Economic Cooperation Ernesto Melendez and Mr. (Guido Ordonez), the resident UNDP representative in Cuba. Cuba will contribute almost 2.3 million pesos to this project, and UNDP $695,000, to finance consultants, equipment, and technical training.

Since 1966 UNDP, a UN body, has contributed more than $4 million to the development of techniques for processing lateritic minerals in Cuba.

### Fourth Nickel Plant Nears Completion

*FL2207191492 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Jul 92*

[Text] In Moa, the Hermanos Martinez Tamayo Contingent has completed 65 percent of the general construction of Las Camariocas, the fourth nickel plant in Cuba. This progress on the project was brought about by bringing 40 of the more than 80 project parts to the completion stage. This nickel plant is in various stages of construction with the rational use of resources. To achieve this progress, the more than 2,000 men of the Hermanos Martinez Tamayo Contingent in Holguin doubled their individual productivity standard in the last six months, and lowered their cost per peso ratio, to only 72 centavos. The components of the project which are most developed include the technological complexes for milling, lixiviation and washing, recovery of ammonia, and the electrical power plant.

### Las Tunas Enterprises Surpass Crop Projections

*FL2207233092 Havana Radio Reloj Network in Spanish 1941 GMT 22 Jul 92*

[Text] More than 600,000 quintals of tubers, grains, and garden produce were harvested by enterprises of the Ministry of Agriculture and the National Association of Small Farmers [ANAP] during the first six months of 1992. This amount surpasses the projections for the January-July period by 13 percent.

The Antonio Guiteras Enterprise in Puerto Padre distinguished itself by producing more than 110,000 quintals of agricultural products. Among the cooperatives, the Workers-Farmers Alliance in Damancio Rodriguez Municipality, is prominent for its outstanding production of plantains. The agricultural-livestock enterprises and the ANAP planted 1,040 caballerias of tubers, grains, and garden produce in Las Tunas during the first six months of 1992.

### Grass Roots Bodies Formation 'Almost' Completed

*FL2207155392 Havana Radio Reloj Network in Spanish 1402 GMT 22 Jul 92*

[Text] The process of forming the grass roots labor justice bodies has almost been completed, with some 16,000 such bodies throughout Cuba. Preliminary figures from the State Committee for Labor and Social Security show that 98 percent of these bodies are ready to become operative. The objective of these groups—made up of five people, three of whom are elected by the workers and two appointed by the administration—is to resolve disputes that come up during the application of legal and disciplinary measures at the work centers.

The creation of these bodies is an unprecedented experience in Cuba and was established by Decree Law No. 132, issued in April, based on the results in Villa Clara Province during the year such bodies functioned there, a year during which labor discipline was strengthened.

### Tourism Revenues Up in First Five Months

*FL2207184292 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Jul 92*

[Text] Inatur [National Institute of Tourism] President Rafael Sed Perez has announced that the tourism sector has experienced a 30 percent increase in the amount of revenues and hard currency earned in the first five months of the year. He also noted that despite unfavorable tourism campaigns against Cuba, vacationers continue coming to the country.

## Cayman Islands

### BCCI Liquidators Put Hold on Settlement

*FL2207230492 Bridgetown CANA in English 1747 GMT 22 Jul 92*

[Text] George Town, Grand Cayman, Cayman Islands, July 22, CANA—Liquidators for BCCI overseas have put on hold a proposed settlement with creditors of the beleaguered bank following a Luxembourg court action earlier this week ordering BCCI [Bank of Credit and Commerce International] SA liquidators to first get approval from that bank's creditors before proceeding with a proposed liquidation plan involving London, Cayman Islands, and Luxembourg liquidators for BCCI.

The Luxembourg court had indicated it wanted to first hear from the small depositors at the bank to see if they were in agreement with the proposal before issuing any order.

While BCCI overseas, which is headquartered in the Cayman Islands, has court approval here to proceed with the plan, official liquidator Ian Wight of the accounting firm of Deloitte Touche said any further action on his part has been put on hold because of the Luxembourg decision.

"The agreements were subject to acceptance by all three courts involved," said Wight. "To that extent...There is no agreement in force at this time," he added. Under the proposed settlement plan with creditors, assets of all three BCCI jurisdictions (England, Luxembourg, and the Cayman Islands) were to be placed in a common pool along with $2 billion dollars in cash from the majority shareholders (Sheikh Zayeed bin Sultan of Abu Dhabi and the Abu Dhabi Government). In return for the cash, the majority shareholders wanted approximately $4.5 billion dollars in waivers of claims from creditors.

With the $2 billion dollars, Wight estimated the return to creditors would run between 30 and 40 cents on the dollar and payment could begin as early as next year. The Luxembourg court will return on October 7 to hear what the vote is from BCCI SA creditors. Wight declined to speculate on whether he thought the November 30 deadline for the waivers could still be met if the Luxembourg court gives its approval on October 7 for the go-ahead. While admitting he had not yet seen the exact wording of the Luxembourg decision, Wight questioned the wisdom of allowing each creditor a single voice and vote in the proposed settlement.

"Does somebody owed one dollar get as much credence as somebody owed ten million?" he asked.

If enough creditors vote against the proposal and the Luxembourg court denies liquidators there permission to enter into the agreement with London and Cayman, it could well be the end of the present agreement, Wight said.

BCCI offices around the world were shut down on July 5, 1991, after Bank of England investigators had alleged "massive fraud on a global scale" at the bank. It is the largest bank failure in history and some media reports have the total loss to the estimated 250,000 depositors and creditors of the bank at approximately $15 billion dollars.

The Cayman Islands was the headquarters for BCCI overseas, which had 69 branches in some 32 countries around the world. Cayman was also the headquarters for the International Credit and Investment Corporation (ICIC) and Credit and Finance Corporation (CFC), both of which were BCCI entities. In the Caribbean, BCCI overseas had branches in Barbados, Jamaica, the Bahamas and Trinidad.

## Haiti

### Bazin Forms Committee; Criticizes Embargo

*FL2207155192 Port-au-Prince Radio Metropole in French 1045 GMT 22 Jul 92*

[Text] New Prime Minister Marc Bazin announced on 21 July the creation of a special committee in charge of negotiating, under the auspices of the OAS and other international authorities, with the committee formed by Father Jean-Bertrand Aristide for a solution to the Haitian crisis. He noted: My government is eager to reach a solution acceptable to all parties.

Bazin, who was speaking at the National Palace, keenly seeks the renouncement of violence and the establishment of a climate of calm and detente so Haiti can become a land of tolerance, harmony, and democracy. Furthermore, the prime minister severely criticized the OAS embargo, saying that it had no reason for being. Some 150,000 jobs have been lost, hunger and despair have led 38,000 people to flee by sea in eight months. Bazin said that all this has occurred on behalf of democracy.

Bazin's government announced yesterday that it has accepted—at the request of the secretary general of the OAS, Brazilian Joao Baena Soares—that a technical mission of the organization come to Port-au-Prince today in order to prepare for a future visit by Mr. Soares to Port-au-Prince.

## Chamber of Deputies Regulations Challenged

*FL2207204192 Port-au-Prince Radio Metropole in French 1045 GMT 22 Jul 92*

[Excerpt] Internal regulations are being questioned. A committee aimed at working for the modification—if necessary—of some points of these regulations was formed during the 21 July session. This committee was set up following a resolution proposed by Gabriel Sanon, the deputy of Cornillon and Grand-Bois, to sanction absentee deputies. In addition to Gabriel Sanon, the author of the proposal, the committee comprises five other deputies representing various political groups: Antoine Joseph of the Progressive Liberals Group, Joseph Rindal Pierre-Canel of the National Front for Change and Democracy parliamentary bloc, Mac-Ferl Morquette of the Socialist Group, Jean Lionel Bouzi of the GPND [expansion unknown], and Pierre-Francois Vital of the CDN [expansion unknown]. There were 22 votes for, and 14 votes against. The deputies were nonetheless divided on the proposal of Deputy Sanon. Let us listen to Ansyrose Resignac for details.

[Begin Resignac recording] Yes, the participation of Deputy Pierre-Canel in the committee does not mean that the National Front for Change and Democracy [FNCD] deputies supported the proposal of the Assembly of Progressive National Democrats deputy [Sanon]. The idea of revising the internal regulations of the lower chamber was adopted in spite of opposition by FNCD members. After he noted that sanctions had not been applied against some undisciplined deputies, while they had been applied against others, Fritz Robert Saint-Paultre simply demands a strict and equitable application of the sanctions.

Deputy Elie Plancher warned against the fact that the internal regulations may be under scrutiny in an effort to avoid any decisions contrary to norms and principles already established. Article 166 of the internal regulations clearly deals with the case of absentees. It must be applied, says Deputy Joseph Rindal Pierre-Canel, whose opinion is that the assembly should give a verdict on the effectiveness of this article before considering amendment. [passage omitted]

## Guatemala

### Serrano Reaffirms Madrid Summit Importance

*PA2207150192 Guatemala City Teleonce Television in Spanish 1800 GMT 21 Jul 92*

[Text] President Jorge Serrano Elias left for Madrid, Spain, on 21 July to attend the Ibero-American Summit, which will begin on 23 July. Before leaving the country, Serrano regretted the absence of Venezuelan President Carlos Andres Perez at the Madrid summit, which will be attended by the presidents of 22 other countries of the Ibero-American community. The Venezuelan Senate denied Perez permission to travel abroad, taking into consideration the serious political and economic crisis facing that country.

Other presidents, particularly Alberto Fujimori of Peru and Jorge Serrano of Guatemala, also face serious problems in their respective countries. They are facing strikes and other disturbances that were mentioned as possible obstacles that could preclude them from traveling to Madrid. However, in Peru, Fujimori himself dissolved the Congress, so that could not prevent him from traveling abroad. In the case of Guatemala, the Congress granted authorization for Serrano's trip several weeks ago.

In statements made minutes before boarding his plane, Serrano reaffirmed that meetings like the Madrid summit are important for Guatemala.

[Begin recording] [Serrano] Guatemala's participation at a forum like this is interesting. All the presidents [as heard] of Ibero-American countries will participate in this summit. We have so many common problems and we will talk about them as a way to find solutions. This is basic.

[Unidentified reporter] Mr. President, what do you think of Venezuela's absence?

[Serrano] We regret this, because President Perez is an important personality in the Ibero-American community and Venezuela's seat will be empty. I understand no one will sit in the seat assigned to Venezuela.

[Reporter] What is the most important topic for our country to discuss at its meeting?

[Serrano] There are several topics. First, we have the issue of the Indian Fund. We are proposing that this fund be created and placed under the Inter-American Development Bank. It will serve to support the development of Indian cultures in the Ibero-American community. Naturally, the countries most interested about this are Bolivia, Peru, Ecuador, Guatemala, and Mexico. This could be very important, as this is a very large fund.

Another important thing is our proposal to host a meeting of scientists and cultural experts, as well as teachers from Latin America and Spain, who can come to Guatemala perhaps in 1993 to analyze Ibero-American prospects in the coming century.

I do not really know what the other presidents will propose, but there is consensus among Ibero-American presidents to seek solutions rather than declarations at this meeting.

[Reporter] Will you take advantage of your stay in Spain to [words indistinct]?

[Serrano] Yes. When we paid an official visit to Spain, we began negotiations to that effect. Spain made a proposal. Recently, when I visited Brazil, we presented a counterproposal to the Spanish Government. We received a note from the Spanish Government stating some problems with regard to our counterproposal. I think we now have the opportunity to improve the ties. I do not know, though, if this matter will be resolved in this trip. As you know, this is a very delicate issue and Guatemalans cannot expect easy solutions. The problem has a series of intricacies.

Both the peoples of Guatemala and Spain know that Prime Minister Felipe Gonzalez and I inherited this problem unwillingly and we are working to solve it.

[Reporter] Mr. President, in what condition do you leave the country?

[Serrano] I am very pleased that the teachers have accepted the negotiations. As you know, the group of professionals also accepted the negotiations. We have learned that most bureaucrats have accepted them as well.

Some leaders have not yet agreed to the negotiations but we are relaxed because these leaders do not have support. They sat with us at the bargaining table and were not supported by their assemblies, not even their assemblies.

We will move forward. The pending agreements were already signed and we are moving forward. All public employees will receive wage increases retroactive to 1 July. The situation is pretty normal in the country. Naturally, some precautionary measures have been taken. If public order is disrupted, the security forces know what to do. [end recording]

## Nicaragua

### Mayors' Communique Demands Lacayo's Ouster

*PA2207171792 Managua Radio Corporacion in Spanish 2200 GMT 21 Jul 92*

[Communique issued by the mayors of Chontales, Coaca, and Zelaya Sur; place and date not given—read by Humberto Castillo Matamoros, deputy of the Let's Save Democracy Movement]

[Text] We, the mayors of Chontales, Coaca, and Zelaya Sur, have tried to meet with the government to discuss the main problems facing our towns and the peoples of our departments. We want to express our position on the serious national crisis arising from the notorious cases of

corruption that led some U.S. Congressmen to recommend the suspension of economic aid to Nicaragua.

First, we condemn the brutal slaying of Coral Mayor Abel Fernandez and of Noel Urbina Andino, Commander Rafla, by Coral Police Chief Sobalbarro.

Second, we express our solidarity with the Coaca mayor's office, which has been seized, and its bank account confiscated by the judge. We call on the Supreme Court of Justice to rule on this case, which was remanded to the court several days ago.

Third, we unanimously support Camapa Mayor Jorge Duarte, who is the victim of an unpatriotic and personal campaign to destabilize the town that is being waged by a councilman who wants Duarte dismissed.

Fourth, we want to express our opinion on the current crisis as follows:

Whereas: Nicaragua has been betrayed by those who were put in power, who forgot their promises contained in the government plan, which they never fulfilled and never wanted to fulfill,

Whereas: The plan of selective murder implemented by the FSLN [Sandinist National Liberation Front] against the patriots of the Nicaraguan Resistance has been increasing in the face of the government's indifference and tolerance,

Whereas: The FSLN is still a repressive force led by Commander of the Revolution Humberto Ortega. The same can be said of the police, led by Rene Vivas, and the State Security Services, led by Lenin Cerna. These are disruptive forces that hinder the attainment of true peace and real democracy in Nicaragua,

Whereas: The Sandinist government's administrative corruption continues in the present government and, in contrast with the ill-gotten riches of the country's government officials, the people's profound misery increases. This has been confirmed by the Comptroller General's Office's patriotic resolution.

We resolve:

1. We demand the immediate removal of Engineer Antonio Lacayo Oyanguren so he may be tried for the grave charges of administrative corruption filed against him by the Comptroller General's Office. For the past two years, we have been demanding this act, which could have prevented serious damage to the country.

2. We insist on the immediate removal of Humberto Ortega Saavedra as commanding general of the Army to face charges filed against him by Mr. Raymond Genie with regard to the murder of Jean Paul Genie. We also demand the removal of Sandinist Commander Rene Vivas from his post as National Police chief.

3. We disagree with the president's statement expressing total support for her son-in-law, and we support the opinion of the Comptroller General's Office.

### Riot Police, Retired Military Clash in Managua

*PA2207215792 Managua Radio Ya in Spanish 1100 GMT 22 Jul 92*

[Text] A new clash occurred at approximately 2030 on 21 July between riot police and retired military officers resulting in 10 injured persons—including seven policemen, two officers, one crippled fighter, and one civilian. According to reports, the civilian is in critical condition.

The violent incidents occurred near the Presidency and the Finance Ministry. Riot police used tear gas, which resulted in an exchange of gunfire between the two groups. The shoot-out and the hasty retreat by police and EPS [Sandinist People's Army] members created tension among the people living near the Presidency.

The names of the injured persons have not been revealed, but it has been learned that they were transferred to various hospitals around the capital.

### Ortega Seeks Cardinal's Mediation

*PA2207142992 Managua Radio Nicaragua Network in Spanish 1100 GMT 22 Jul 92*

[Text] Daniel Ortega, former Nicaraguan president and secretary general of the Sandinist National Liberation Front, has asked for the mediation of Cardinal Miguel Obando y Bravo to halt the wave of violence that began on 20 July. Policemen and retired soldiers exchanged gunfire, leaving at least 12 wounded. Most of the wounded were policemen who are being treated at the Carlos Roberto Huembes hospital.

## Panama

### Government, Church Discuss Mediation Efforts

*PA2207043692 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jul 92*

[Text] Authorities from the Catholic Church, the government, and the Attorney General's Office have discussed aspects of the situation in Colon. The possibility of releasing the arrested leaders was discussed, but no conclusion was reached. We present this report:

The meeting, which took place at Monsignor Marcos Gregoria McGrath's residence, was attended by Attorney General Rogelio Cruz, Juan Chevalier, government and justice minister, National Police Director Oswaldo Fernandez, Msgr. Carlos Maria Ariz, Archbishop Marcos Gregorio McGrath, and the mayor of Colon, among others.

The meeting was held to exchange views on Colon Province's current problems.

[Begin Chevalier recording] There is one thing we all agree upon: Neither the church nor the government is going to sponsor violence. That is not possible. There is a moral and legal responsibility to prevent violence. The government has a legal obligation to preserve order; therefore, it will fulfill its duty. [end recording]

One of the conclusions reached during the meeting was that the Catholic Church would serve as a guide in the serious social crisis currently being experienced in Colon.

However, the government and justice minister stated that the government's goodwill to resolve the existing problems in that region should be highlighted.

Concerning the release of the Modesco [Movement of the Colon Province Unemployed] and Frasco [Broad Front for the Rescue of Colon] leaders who are still under arrest, Minister Chevalier had this to say:

[Begin Chevalier recording] You must understand that this matter is in the hands of the Attorney General's Office, prosecutors, and judges. There is a legal procedure that must be followed. It cannot be violated, because the government cannot break the law. [end recording]

Msgr. Ariz stated that the atmosphere of ambiguity that exists in Colon is the main problem right now.

[Begin recording] [Msgr. Ariz] There is a mediation vacuum. One day the boys are repressed and docked a day's pay for acting rudely or misbehaving by not showing respect for the authorities. But they are not permitted to explain why they acted the way they did. That situation creates ambiguity. We cannot find simple solutions. It is a matter of listening to one another. I believe this meeting has been very positive.

[Unidentified reporter] Is it possible to release the leaders or place them under house arrest?

[Ariz] I can assure you that the government is willing to assist Colon, because it is aware of the province's critical situation. They are seeking legal solutions to release the boys. [end recording]

## Bolivia

### Sanjines Condemns Attack on Lima Embassy

*PY2207185392 La Paz Television Boliviana Network in Spanish 1700 GMT 22 Jul 92*

[Text] Dr. Luis Ossio Sanjines, acting president of the Republic, has condemned the terrorist attack that involved our embassy's building in Lima, Peru. He also instructed the foreign minister to immediately travel to that city in order to make a presentation in our country's name.

Ossio said: We still do not know if the Shining Path's terrorist attack was aimed at our embassy or at the Peruvian police station across the street from our building.

The president of the Republic, Dr. Luis Ossio, said: This situation, the petition of guarantees to the Peruvian Government, and other aspects will be handled directly by acting Foreign Minister Manfredo Kempff Mercado, who has already travelled to Lima.

[Begin recording] [Ossio] This morning I instructed the acting foreign minister to travel immediately to Lima to meet with Peruvian Government officials and seek protection for our personnel, for what is left of our files, and for everything that is there.

Our ambassador, who was in the United States, is also returning to Lima right now. In any case our foreign minister must already be there now, meeting with Peruvian authorities.

As far as property damages are concerned, they are serious. Concerning injured people, some were injured, but all of them were among the Peruvian police guarding the embassy and the building across the street.

As far as we know, our personnel were completely unharmed, as they were in the back quarters of the building, which is quite large.

In fact, in a moment the acting foreign minister will surely have already called me, providing me with official information, so that I can inform the press. I also hope that the Peruvian Government will investigate this attack carefully, and protect our buildings, our embassy, our personnel, and give us guarantees. I especially hope that an effort will be made to again have our embassy operating in some other building—which will, surely, be facilitated by the Peruvian Government.

[Unidentified correspondent] Mr. President, what is your opinion of the attack itself?

[Ossio] I believe it represents an insane response to something that could be resolved in a different manner.

We believe democracy, dialogue, gives everyone the possibility of making claims. The solutions will obviously not come very fast, but neither will they come through violent methods. Violent methods destroy the peoples' patrimony. They generally destroy simple, innocent people, and tarnish the image of our Latin American countries in the eyes of the world, precisely at a time when we are trying to improve that image.

In Peru's case, for example, I believe a previous attack completely destroyed Channel 2 of Peru—in a totally incredible way and with a violence that is insane.

I believe we must assume this and make every effort to prevent this type of action—of which our country, through its embassy, has now become a victim. [end recording]

### Construction of U.S. Antidrug Base Opposed

*PY2207144692 La Paz Radio Fides Network in Spanish 1100 GMT 22 Jul 92*

[Text] Alfredo Cuellar, head of the Santa Cruz congressional bloc, has said in Santa Cruz that Congress has at no time authorized the construction of U.S. military bases in Bolivia, and that if such a situation occurs it will be in violation of the Constitution. He said that the presence of foreign troops demands prior congressional authorization, and that in this case no authorization had been granted.

Cuellar said that as soon as Congress begins its regular sessions he will ask the appropriate authorities for a written report on the subject.

Santa Cruz civic leaders also referred to the subject yesterday. They declared that the government should have told the truth about the U.S. military's mission in Bolivia. (Freddy Terraza), chairman of the local civic committee, said that the people must be informed about all international agreements or treaties.

In turn, Hormando Vaca Diez, deputy from the Movement of the Revolutionary Left, said that the government should have told the people the truth about the activities undertaken by the U.S Army in Beni (?and in) the country, and so have avoided creating an atmosphere of disinformation—by which some political parties may profit, as he put it, improperly.

Meanwhile, labor leaders said that Congress should question the executive branch. The departmental labor central condemns the U.S. Government for wanting to build an antidrug base in Bolivia, as this would mean the construction of a military base, Santa Cruz labor leader (Jerry Giavarri) said, adding that this violates national sovereignty.

### Privatization Begins To' Redeem Social Debt'

*PY2207124092 La Paz Television Boliviana Network in Spanish 0200 GMT 21 Jul 92*

[Text] Planning and Coordination Minister Samuel Doria Medina has asserted in Madrid that the structural reorganization being implemented in Bolivia is beginning to redeem the social debt.

Minister Doria Medina said that the money obtained by the government through the privatization of public companies will be used to fight poverty.

[Begin Medina recording] The funds for [word indistinct] social problems and [passage indistinct].

All the funds obtained through the sale of the public enterprises will be used exclusively for social area projects. [Words indistinct] privatization resources will not be earmarked to pay for the foreign debt or the government deficit. This means that these resources [words indistinct] for the antipoverty fight. [end recording]

Minister Doria Medina delivered this speech to an important group of international private businessmen and financiers, who were attending the Seminar on Latin America and the New Economic Context. The seminar was organized by the International Herald Tribune, the Inter-American Development Bank, and the Spanish bank corporation Argentaria.

## Brazil

### CPI Finds Evidence of Farias Tax Evasion

*PY2307033692 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 22 Jul 92*

[Commentary by Alexandre Garcia]

[Text] The information collected by the CPI [Congressional Investigating Committee] will be passed to the Federal Revenue Office. The CPI believes that the Federal Revenue Office will have enough evidence to file a lawsuit for the largest tax evasion case ever in its history.

The documents also contradict testimony received by the CPI. The CPI believes that there is enough evidence to sue former presidential private secretary Claudio Vieira, secretary Rosenete Melanias from the Brazil Jet company, and businessman PC [Paulo Cesar] Farias for perjury. The CPI mainly concentrated on investigating the bank account of presidential secretary Ana Acioli.

In an address to the nation, President Fernando Collor revealed the number of the account and said that Claudio Vieira used to deposit money in Ana Acioli's account.

So far, the CPI has not found any deposits by Claudio Vieira in Ana Acioli's account. The CPI, however, did find checks deposited made using a false CPF [Individual Tax Payers Register] number, ghost accounts, forged signatures, and checks from the Brazil Jet and EPC [Empresas de Participacoes e Construcoes] companies, which belong to PC Farias. Checks written for small amounts were signed by secretary Rosenete Melanias, and the large checks were signed by PC Farias himself.

Before departing for Spain, President Collor said that he will try to explain the facts when former private secretary Claudio Vieira is again summoned to testify before the CPI.

### Curio on Farias' Interests

*PY2207160492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jul 92 p 7*

[By Antonio Marcello]

[Text] Brasilia—The accusations made by former Deputy Sebastiao Curio against businessman PC [Paulo Cesar] Farias, in addition to showing electoral fraud and the clear connection between Farias and President Fernando Collor, also shows PC's great interest in gold. Before Curio's disclosure, there were already reports that PC promoted the "laundering" of dollars through the clandestine purchase of gold for smuggling into Argentina. The accusations made by former Deputy Curio shows something more ambitious: control over the Serra Pelada gold field, which is the most famous gold producer in the country and which still has good reserves.

In an interview granted yesterday in his house in Lago Sul in Brasilia, former Deputy Curio said that PC maneuvered to take control over Serra Pelada through the enterprise of a friend, whose identity Curio does not know. Curio said: "I was called by PC for a meeting in the Hotel Nacional in Brasilia on 3 December 1990, when the mining cooperative of Serra Pelada gold prospectors was going to sign an agreement with the Servaz company for gold prospecting." He added: "PC ordered me to break up the deal, that it would be given to the company of a friend." Curio guaranteed that PC was firm. Curio said: "PC said that Servaz was going to get money from the Federal Savings Bank in Manaus, and that if the contract with the cooperative was not cancelled he would block the credit."

Curio said that in all his life he had "never received such an authoritarian order." Curio also indicated that PC decided that he should go to the airport, where he would be received by pilot Jorge Bandeira de Melo to be taken to Sao Paulo to sign a new contract with the company wanted by PC. In the airport Curio refused to board the airplane. He claimed that he had to check with the cooperative's board of directors.

"This is when pressure began to be exerted, until Serra Pelada was declared a national monument," added Curio, whose disclosures involve former Infrastructure Minister Joao Santana and the National Department of Mineral Production—who were interested, at PC's suggestion, in granting the Vale do Rio Doce Company the right to exploit the mine. The pressure that was exerted prevented the cooperative, which currently has a membership of 10,224 gold diggers, from signing the contract with Servaz.

According to the contract, Servaz was to dredge the Serra Pelada's main access and cut the mine slopes in order to

process the waste, estimated at 12.4 tonnes, and the gold that remains in the bottom of the pit, estimated at more than 5 tonnes. Curio asserted: "We would have been paid royalties for exploiting the mine, but the contract did not materialize because Servaz was decapitalized."

**Deputy Guimaraes on Concerns Over CPI Documents**

*PY2207180592 Rio de Janeiro Rede Globo Television in Portuguese 1000 GMT 22 Jul 92*

[Studio interview with Deputy Ulysses Guimaraes by correspondent Monica Medeiros—live]

[Text] [Medeiros] Good morning, Mr. Deputy.

[Guimaraes] Good morning, Monica.

[Medeiros] What do the documents in the hands of the CPI [Congressional Investigating Committee] contain that caused so much tension in Congress yesterday?

[Guimaraes] Monica, first I want to say that I am not directly involved in the investigation, but I am concerned. This is an issue that is keeping all Brazilians concerned. I would like to say that as a result of my meetings yesterday—and not only to discuss this issue—I found out that there is much concern. Brazil is today an island surrounded by concerns: concerns over employment, inflation, and recession. We are also concerned about the Paulo Cesar Farias affair. Yesterday we heard waves of thunder in Congress...

[Medeiros, interrupting] What provoked that electric outburst, Mr. Deputy?

[Guimaraes] It was provoked by new information that was handed to the CPI. The importance of the information cannot be hidden; we cannot erase the facts. The CPI received documents that must be interpreted and analyzed to find out their true value and importance. These documents might or might not be important. All conclusions will be included in the final report. It is important to respect the Committee, because it is dealing with important and confidential documents. We have heard speculations, and people prejudging their supposed content. All this is premature. Worse yet, speculations hurt the Committee, the investigation, Congress, and the country.

[Medeiros] The level of concern in Congress has risen considerably lately. Do you think we might be heading toward an institutional crisis? For instance, Senator Marcos Maciel, government leader in Congress, said that there is an institutional crisis. What is your opinion on this matter?

[Guimaraes] I do not think there is an institutional crisis. We are dealing with a Congressional prerogative sanctioned by the Constitution. Congress has the prerogative to sanction anyone found guilty of violations under its juristiction, regardless of whether he is the president of the Republic, the garbage collector, a deputy, or a senator. It is all written in the Constitution. These instruments were created to perform a certain job. I think the CPI is a mechanism that strengthens the system which is able to verify, investigate, and punish. This is what we have to do. What is currently happening is actually proof of the system's vitality.

This institution is 103 years old. Presidents can be guilty or can be responsible for things. The presidential system has a history of 103 years of disasters for the country. This institution must be replaced by the parliamentarian system of government.

[Medeiros] Will this wave of charges against the presidential system strengthen the idea of a change toward a parliamentary system?

[Guimaraes] Of course. I think so. In a parliamentary system this matter could be resolved in one afternoon. You replace the evil characters, your wife, or your sex—in case you are a man who wants to become a woman—very quickly. [laughs] In a presidential system you cannot replace the president of the republic, or a congress, that is not fulfilling its duty. In the parliamentary system anyone responsible for wrongdoings can be replaced without delay, without keeping the nation on hold, and avoiding the effects on the rest of society.

But I think that even this affair will end up having a good effect. This affair, disgrace, or whatever the word, will be a good experience in preventing other people like Farias from doing the same. It will allow us to prevent similar occurrences in the future. We must establish that...

[Medeiros, interrupting] [words indistinct]

[Guimaraes] ...it is expensive. Firms, companies, the state, must clearly understand—as well as deputies, candidates, and governors—that they cannot simply dig from public funds. They must prove, or show, how they spend their money during elections. Those accounts must be reviewed in the National Accounting Office. I think the CPI must also make a suggestion, an appeal—I am not sure of the word—in favor of clarity, in order to prevent problems like the one created by the Farias affair. I think the government must finance elections.

[Medeiros] Do you think the crisis will end after the CPI concludes its work?

[Guimaraes] I do not think that all the information—volumes and volumes of documents that came from the Central Bank, the Federal Police, and the Federal Revenue Office—can be shelved just like that. Those documents belong to the nation. Signatures on checks were forged. We have to find out where these checks came from, who collected the money, and if the procedures used were legal. The information is there. All these documents must be sent to the justice department. Anyone can make a valid charge so as to have the Justice Department check the documents. We also have political connotations. We have the crime of political responsibility. Those responsible for wrongdoings must answer. Ministers did not answer to their responsibility; they

only provided information. The more we insisted on a question, the more elusive the answer we received. If we had to investigate a deputy, we would do it because the law authorizes us to do so.

[Medeiros] Mr. Deputy, your advice is very much appreciated at this very delicate moment. Thank you.

[Guimaraes] Thank you for the opportunity to express my views.

### Collor Aides Prepare Defense Dossier

*PY2207203592 Rio de Janeiro O GLOBO in Portuguese 21 Jul 92 p 4*

[By Helena Chagas]

[Text] Brasilia—Close assistants to President Fernando Collor and congressional advisers to the chief of state are working on a dossier that will be used to defend the president. The assistants are gathering bank documents, income tax statements, and other data concerning the president's assets. One objective of the initiative is to show that Collor has always had a comfortable economic situation and has been able to pay for his expenses. Planalto Palace has not decided when it will release such documents.

Says Senate PRN [National Reconstruction Party] leader Ney Maranhao: "It will have the effect of a hani maki komi, the coup de grace known only to black belts in karate." Maranhao said that this evidence has made the president and other government officials tranquil, in the face of the action by the CPI [Congressional Investigating Commission].

The PRN leader warned: "Those people want to repeat what happened to late President Getulio Vargas, who was led to commit suicide. Vargas shot himself in the chest, but he (Collor) will shoot at people."

Other congressmen close to Planalto Palace have said that there is such a defense dossier, but all of them claim to be unaware of the dossier's content. The majority of President Collor's political advisers think that it is still too early to release it. In the opinion of those advisers, Collor should appear on the media to address other issues, like the fiscal adjustment, and he should refrain from addressing the CPI affair—in order to give a final comment when the commission has concluded its work.

### Pinheiro Interviewed on Reform Bills

*PY2107192192 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jul 92 p 5*

[Interview with Chamber of Deputies President Ibsen Pinheiro (Brazilian Democratic Movement Party-Rio Grande do Sul State) by Brasilia Bureau correspondent Ary Ribeiro—place and date not given]

[Excerpts] [O ESTADO] What is your opinion about the president of the Republic's complaints about Congress?

[Pinheiro] There is no reason for it. All the bills deemed important by the government have been approved, beginning with the Collor Plan I, with the famous confiscation of the people's savings. It is appropriate not to forget that Congress approved the privatization law and the federal administration reform, in addition to all the provisional measures—that were many. Not a single strategic bill that was essential for the government's plans has been rejected.

[O ESTADO] The Big Reform [Enmendao] was left over...

[Pinheiro] Because the government itself preferred to leave it, pending its conclusions on the fiscal adjustment. The government cannot complain. It is necessary to note that during the first half of the year alone, the Chamber of Deputies voted on the port modernization bill, the land reform bill, the consultant general's office bill, bills on bids, bills on the concession of public services, the white-collar workers [lei de colarinho branco] bill, the agricultural subsidies bill, a bill on the precautionary measures against public power actions, in addition to three constitutional amendments—involving limits for the remuneration of state deputies and councilmen, the number of councilmen in cities with up to 1 million inhabitants, and the advancement of the plebiscite.

[O ESTADO] Were all of them in the executive branch's interest?

[Pinheiro] At least 80 percent of the principal bills were. This is only natural because the trend, in modern democracies, is that it is appropriate for the executive branch, given the information available to it, to propose legislation for the country. A survey I ordered to be conducted on last year's votes indicates that no fewer than 18 bills of utmost importance were approved. [passage omitted]

[O ESTADO] You have mentioned the necessity for an appropriate relationship with the international community, but the Chamber of Deputies has still not voted on an important bill for that purpose: the industrial property bill.

[Pinheiro] It admittedly is a complex bill. It is, therefore, being carefully assessed by a special committee that I have formed. The committee is chaired by Alberto Goldman (Social Democratic Movement Party-Sao Paulo State). The committee's speaker, Ney Lopes (Liberal Front Party-Rio Grande do Norte State), has already made his judgment, and this issue will be one of the top priorities at the beginning of the next legislative half-year period.

[O ESTADO] How will the Chamber of Deputies handle the fiscal adjustment proposed by the government?

[Pinheiro] I see two unanimous opinions on legislative issues: the necessity for fiscal reform, and institutional reform, especially concerning electoral legislation and legislation on parties. The fiscal adjustment must meet the need to increase collection without increasing the tax

burden. The way of making this fiscal adjustment is prompting strong controversy, because the tax will be distributed throughout society. This is, however, an instinctive feature. The fiscal adjustment can alter the federative balance, involving the relations among the union, the states, and the municipalities. The complexity of this matter makes it advisable to discuss it with the greatest alacrity possible, but with the required depth.

[O ESTADO] How long will that take?

[Pinheiro] No one could have imagined that this issue had to be examined during this extraordinary period of sessions. This issue, along with the reform of the representative system, will be a "number one priority" for the next congressional half-year period. [passage omitted]

### 'Guararapes Group' Issues Statement on Crisis

*PY2107163492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jul 92 p 5*

[By columnist Janio de Freitas: "A Clear Position of Theirs"]

[Excerpt] Seven generals, two brigadiers, 40 officers from the Army, Navy, and Air Force with the rank of colonel or the equivalent, and one lieutenant signed a document as members of the "Guararapes Group." I am transcribing the main sentences of said document, because I believe that they reflect the opinion of the majority of the military hierarchy concerning the crisis affecting President Collor and his close circle and the inquests on their activities:

"The country is currently suffering an identification crisis. There is some kind of fear of a possible disruption of institutional normalcy in light of the investigation of facts that tarnish the country's image abroad. (...) The Guararapes Group believes that the quest for justice will only enlighten and strengthen the institutions. The government branches are consolidated when they are based on the sacred provisions of the law. (...) It is not people who are at issue, but the greatest interests of the nation. Justice must be had in order to provide an example that will strengthen the dignity of the established government branches. (...) There is no way that the greatness of fulfilling the law can be doubted. It will be the salvation of society, and both the weak and the strong will end up in jail should it be proven that public money was "misused." The Guararapes Group believes that all our solutions are based on the fulfillment of the Constitution. We cannot keep thinking that the world will fall down on us should it become necessary to enforce the law. On the contrary, not doing so could lead to a lack of credibility and to anarchy."

Even though the 48 officers may be retired—which I do not know, because of the difficulty of immediately identifying all of them—it does not weaken the group's representative nature. The consistency between their document and what can be perceived among the top active officers within the three Armed Forces branches does not need to be reviewed. Moreover, for a long time top level retired officers have been the spokesmen of those on active duty, because of the greater restrictions imposed on remarks made by officers who are still on active duty. In this case, it is not just the opinion of one, or of half a dozen, but of some 50 high-ranking officers, among them nine officer generals.

Judging from this and from other evidence, one can consider absolutely unfounded the fear of so many people that what happened in Peru will happen here—the union between Fujimori, president- elect and today a puppet dictator, with the commanders of the Armed Forces in closing Congress and annulling the Constitution. So far everything indicates that the possible aggravation of the Brazilian crisis will not be favorable to Collor. It will neither be favorable to the Constitution, nor to the institutions stemming from it. [passage omitted]

## Chile

### Pinochet, Army Generals To Discuss Reforms

*PY2207150092 Santiago Radio Chilena Network in Spanish 1100 GMT 22 Jul 92*

[Text] At 0900 today the 46 Army generals currently serving in the country will begin a two-day meeting regarded as being of utmost importance for the outlining of future military policies.

Among other subjects, the corps of generals will discuss the constitutional reform drafts the government has submitted to Congress—especially the reform draft that eliminates the clause whereby the commanders in chief of the Armed Forces cannot be removed, and that which modifies the Armed Forces' law by which officers can be retired. This law would only be implemented after the current commanders are replaced by their successors.

This is the first time the subject will be discussed during a meeting of the corps of generals since it was made public by the government, although the high command and the commanders themselves have been exchanging opinions on the issue. According to military sources, during the meeting the generals will also raise subjects such as the 1993 military budget, in view of the fact that it must defined and submitted to the Defense Ministry during these next few days, and the Army's modernization plan.

Only generals will attend this meeting. The media has been banned from attending. The generals will be organized in commissions to discuss the various subjects. The meeting will be held at the Military Club in Lo Curro, and will be presided over by General Augusto Pinochet.

## Colombia

### Government Issues Communique on Prison Situation

*PA2207160392 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1446 GMT 22 Jul 92*

[Report on situation at Catedral Prison, including government communique issued at Narino Palace in Bogota on 22 July]

[Text] [First reporter] Attention. Pablo Escobar Gaviria, Roberto Escobar Gaviria, their closest aides, and some guards of La Catedral prison are holding hostage in a maximum security tunnel the following people: Deputy Justice Minister Eduardo Mendoza; Lieutenant Colonel Hernando Navas, director general of prisons; Ivan Velasquez, Antioquia Department prosecutor; and a fourth person whose identity we will make known soon.

We are now going directly to Narino Palace.

[Second reporter] We have a communique just issued by the government:

The national government, in view of the events taking place in Envigado municipality, reports to the public the following: A mass kidnapping occurred in Medellin last week. Two of the kidnapped individuals were found tortured and murdered and their bodies burned. This appears to be a process of settling accounts within the [drug] organization. It has also been established that, violating all prison rules, well-known criminals entered and departed the Envigado prison under circumstances that are still being investigated. Intelligence information and reports provided by the Office of the Prosecutor General clearly indicate that Pablo Escobar continued to be involved directly and personally in the perpetration of crimes from inside Envigado prison.

In light of this situation and the evidence of the complicity of some guards with the prisoners, as well as to prevent the civil works being carried out at the prison from becoming a threat to the security of the prison and the prisoners, the Security Council decided to carry out a military operation to guarantee control of Envigado prison and to transfer the prisoners to a military facility, providing them with the appropriate protection and the due guarantees of their rights by the attorney general's office.

During the operation, the criminals, using the weapons of the prison guards, resisted this legitimate action by the state. They took advantage of the presence of officials, who entered the prison to supervise the original scope of the operation, and they took hostage Deputy Justice Minister Eduardo Mendoza and Colonel Hernando Navas, director general of prisons, for the purpose of preventing the security operation and of opposing the state's absolute control of the prison.

Given such a challenge to the state's legitimate action, unsuccessful efforts were made to get the prisoners to stop their insubordination, kidnapping, and blackmail, which were clearly unacceptable. In view of this situation, the government ordered the special forces to enter the prison to protect the lives of those kidnapped, to guarantee the enforcement of the law, and to obtain absolute control of the prison.

The military operation is being carried out at this time and so far has yielded positive results, such as the safe and sound release of the two hostages and the acting director of the prison. The national government will keep the public duly informed of the results of the operation and reiterates its call to the media to provide serious and responsible reports at this time.

Therefore, the government has ordered the storming of the Envigado prison to obtain the release of the hostages, Deputy Justice Minister Eduardo Mendoza and Lt. Col. Hernando Navas, director general of prisons. The communique points out the positive results of these military operations being carried out at La Catedral maximum security prison in Envigado. This is the information that Narino Palace has just released, confirming the information that Caracol Network has been providing to you this morning.

### Escobar Vows To Resist

*PA2207161192 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1514 GMT 22 Jul 92*

[Text] We have just learned from Narino Palace sources that no hostages are being held at this time, no one is being used as a shield by the group consisting of Pablo Escobar Gaviria, his three henchmen who have been in jail with him since June of last year, and, perhaps, some of the guards he has reportedly forced to accompany him.

Pablo Escobar spoke with the Caracol Network a few minutes ago, presumably from a tunnel. Caracol has the tape of the conversation with Escobar, in his own voice. We have refrained from airing that tape due to reasons of public order and government instructions. Caracol can say, however, that on that tape, Pablo Escobar maintains that the government had promised to spare his life and that of his aides and that they would be jailed only in the Envigado Security Prison, but the police attacked the jail early in the morning, and there have been armed confrontations. He said he and his men, under no circumstances, would surrender, they are capable of battling the public forces, and they are prepared to resist to the death.

Caracol is consulting the national government to see if it is possible to broadcast the tape.

### Station Updates Events

*PA2207164192 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1526 GMT 22 Jul 92*

[Text] We are awaiting the results of the military operation at La Catedral Prison in Envigado. We will round up the recent events at the prison. At 1600 on 21 July, five

trucks and other vehicles arrived in Antioquia Department carrying soldiers of the 4th Brigade. The soldiers arrived to try to control the situation in the prison on the instructions of President Cesar Gaviria Trujillo. At the same time, the National Security Council was meeting in Santa Fe de Bogota.

As soon as the 4th Brigade troops arrived at La Catedral Prison, there was an armed clash. According to a government communique, Pablo Escobar's men seized some of the guards' weapons and confronted the soldiers. A lengthy negotiation then began. The life of Lieutenant Colonel Hernando Navas, director general of prisons, was at stake in these negotiations. Lt. Col. Navas was held hostage. Deputy Justice Minister Eduardo Mendoza was in the room adjacent to the one where Lt. Col. Navas, Escobar and his aides were located. The deputy minister maintained constant communication with the president, his advisers, and the members of the National Security Council. During these talks, the possibility of transferring Pablo Escobar and some of his men from La Catedral was discussed. This was when a Narino Palace spokesman said that Escobar was going to be transferred in the next few hours from La Catedral prison to a military facility or another maximum security prison to try to protect his life because many rumors circulated on 21 July that the prison was going to be attacked by other drug cartels or other unspecified forces.

At 2132, Caracol reported this situation and other media did the same a few minutes later. Meanwhile, the National Security Council continued meeting. It was repeatedly stated that a communique would be issued but it was not released until 0630. It was signed by Communications Minister William Jaramillo and it asked the media to be prudent and to limit themselves as much as possible to the official information. A Narino Palace source told Caracol Network that the president was thinking about addressing the Colombian people at 0730.

At 0730, Narino Palace said the president would not speak and that a communique would be issued at 0810. At 0810, our Narino Palace source told Caracol that the president would address the Colombians and that the final touches were being made to a speech the president would deliver before leaving for the airport to travel to Madrid. Minutes passed and Caracol Network learned that clashes occurred both last night and this morning after another five vehicles arrived at La Catedral Prison. Some people were wounded in those clashes and there are even reports that one person was killed. An ambulance and a jeep from the Antioquia judicial police arrived at the prison. Narino Palace then confirmed that there were wounded. Caracol then reported that hostages were being held, mentioning the deputy justice minister and the director general of prisons. Narino Palace subsequently confirmed this in a communique which reported that a military operation was being carried out.

As soon as this was made known, Caracol Network received a call from Pablo Escobar Gaviria. We have a 45-second tape in which Escobar says he is very safe and calm but that the government had an agreement with him and his aides that he would not be transferred to another prison. He said that this promise was not going to be kept and that he was willing to give up his life to prevent his transfer. He said that under no circumstance or reason would he permit his transfer. He said he would rather leave the prison dead. He also requested the intervention of Father Rafael Garcia Herreros. Speaking to Caracol, Father Garcia offered to travel to Medellin at noon to try to serve as a mediator. However, Caracol has just learned that the government will not permit Father Garcia to enter the prison. Caracol was told that it would be too dangerous for the priest to enter the prison because a military operation against Pablo Escobar and his men is being carried out.

### Conditions for Surrender

*PA2207172192 Paris AFP in Spanish 1651 GMT 22 Jul 92*

["Text" of a communique issued by prisoners at La Catedral Prison in Envigado, Colombia]

[Excerpt] [passage omitted] "Communique issued by prisoners at the Envigado Prison:

"1. That the National Army has forcibly stormed the La Catedral Prison (where Escobar and his henchmen are located).

"2. That the prisoners demand the presence of the priest Rafael Garcia Herreros or the president of the Republic as a condition for their surrender.

"3. That the government must respond publicly, indicating where they (Escobar and his men) are to be transferred, and guarantee that they will not be taken out of the country.

"4. That the prisoners are entrenched in tunnels and will not surrender until they receive guarantees from the government."

The communique is signed by the "personnel who are imprisoned in the jail."

### Escobar Statement Broadcast

*PA2207181492 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1731 GMT 22 Jul 92*

[Report on transcript of "complete text" of a taped statement made by Pablo Escobar Gaviria to Santa Fe de Bogota Emisoras Caracol Network from La Catedral Prison in Envigado, Colombia, on 22 July]

[Text] We hereby transcribe the text of the taped statement made to the Caracol Network by Pablo Escobar Gaviria, which we received at 1100. The complete text of Escobar's message is as follows:

The following is what happened. Pablo Escobar said from somewhere in La Catedral maximum security prison in Envigado, presumably a tunnel or a bunker,

where he is reportedly accompanied at this time only by his brother, Roberto Escobar Gaviria. Escobar's statement begins like this:

The following is what happened. The government failed to comply with the agreement that we would not be transferred from this prison for any reason, since this is the only prison that can guarantee our security and our lives.

On the morning of 22 July, the Army entered the jail shooting. It attacked the jail. At this time, we are perfectly protected and in very good condition. We request the presence of the priest, Rafael Garcia Herreros, Escobar added, and we, who are not prepared to allow ourselves to be transferred from this prison, are prepared to fight to the death if necessary.

That was the text of the tape received by the Caracol Network. The tape was in the authentic voice of Pablo Escobar Gaviria. The authenticity of the tape has not been questioned and the Caracol Network, using the customary procedures for such cases, can state that this was the authentic voice of drug trafficker Pablo Escobar Gaviria.

### Sources Reveal Escobar Missing

*PA2207194292 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1856 GMT 22 Jul 92*

[Text] President Cesar Gaviria and Army Commander General Manuel Murillo Gonzalez continue to run the military operation currently under way at La Catedral Prison. There is a lot of speculation and conjecture concerning Pablo Escobar Gaviria but certain official sources consulted by Caracol say Escobar is missing at this hour, meaning 1455. The authorities have not been able to establish direct contact with him nor any of his men, who have been with him for the past 13 months, since 19 June 1991.

Caracol confirmed some of Escobar's lieutenants have been captured by the authorities. A communique will be issued on the number of casualties caused during the clashes with the special Army forces, that entered La Catedral Prison at 0500, and Pablo Escobar's prison guards. A shoot out ensued and inmates seized the guards' weapons—that was when the riot began. Unofficial but reliable sources told Caracol six persons were killed.

Deputy Justice Minister Eduardo Mendoza de la Torre said at a news conference that when he was leaving La Catedral Prison—almost at noon—he saw that there was a clash between people in the prison and the public force members participating in the military operation. He said he heard many explosions, adding that some of the inmates who rebelled with Pablo Escobar had been caught alive and were handcuffed. Hence, it is surmised that probably all of the inmates who participated in the riot are alive and have been overpowered by the authorities—all the dead were apparently members of Pablo Escobar's guards, that is the prison guards

### Gaviria Will Not Attend Summit

*PA2207195292 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1903 GMT 22 Jul 92*

[Report by Cesar Mauricio Velasquez and Samuel Salazar Nieto from the Narino Palace in Santa Fe de Bogota—live]

[Text] For the past 23 hours, President Cesar Gaviria Trujillo has been trying to coordinate the operation to regain total control of the maximum security prison in Envigado. The head of state has at all times kept on top of the options and preparations. We have been told by his spokesmen that he has not rested for a second. He has been on his feet during his consultations with his advisers and the top military commanders, and has remained in constant contact with the authorities who are directing the operation in Antioquia Department.

In the situation room at the Presidential Palace, the president, like all Colombians, is awaiting reports of developments in the operation under way at the Envigado prison.

Because of time constraints, the president will reportedly be unable to participate in the Second Ibero-American Summit to be held in Madrid, Spain. He will also reportedly cancel his participation in the inauguration ceremonies of the Olympic Games in Barcelona and his visit to the Colombian pavilion in Seville. The president may still make the official visit to Spain on 27 and 28 July at the invitation of the Spanish Government.

It has been stated, here at the Narino Palace, that operations at the Envigado prison are still under way and there will be no more official statements until the operations end.

### Mendoza on Events

*PA2207221692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2056 GMT 22 Jul 92*

[Text] We have just spoken with Deputy Justice Minister Eduardo Mendoza who, along with Prisons Director General Colonel Hernando Navas, was taken hostage inside La Catedral Prison. He left safe and sound after surviving an exchange of gunfire between the security corps and Pablo Escobar's men.

[Begin Mendoza recording] We bid farewell and started to leave the prison at Envigado....[pauses] Some men who were accompanying Jorge [not further identified] surrounded us and told us we could not leave the prison. They told us we had to accompany them and that we would all be killed.

He pulled out a radio he had hidden and began to issue orders to persons who were presumably working with

them in Medellin. He began to tell them to plant bombs, to prepare car bombs, to plant bombs near schools, to put bombs wherever they could, that it was going to rain dynamite in this country and they were going to kill all of us. [end recording]

The situation remains tense around the prison at Envigado. There has been a continuous movement of vehicles in the area since the evening of 21 July. Vehicles enter and leave, but reporters are 4 km from La Catedral and can only watch from a distance. So far, visual contact with the prison has been impossible.

### Search on for Escobar

*PA2207224992 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2106 GMT 22 Jul 92*

[Excerpt] President Cesar Gaviria Trujillo is definitely not going to Spain on 22 July. If he does go, it will be in the early morning hours and will depend on the outcome of the combing operation that approximately 300 men are conducting in Envigado's La Catedral Prison in Antioquia Department. President Gaviria has just confirmed to Caracol that he will not be traveling to Spain today to the Second Ibero-American Summit. In addition, Caracol confirmed that President Gaviria's government will not issue an official communique before 2100. At that time, the president will address all Colombians on the three television networks, on the Caracol network, and on the country's other radio stations.

Following the speech, which Gaviria's advisers are working on after receiving reports from the military at the Envigado prison, President Gaviria will hold a news conference to disclose all the previously unknown details. Meanwhile, this station learned that the troops that participated in the takeover of La Catedral Prison left from Tolemaida Base at 0500, and the soldiers belong to the 10th Brigade. Following a meeting of several lawmakers with the president, Senator Rodolfo Segovia said the Colombian Government does not know the whereabouts of Medellin Cartel head Pablo Escobar Gaviria, who is being sought inch by inch inside the Envigado prison. The situation right now is as follows: The search for Pablo Escobar is on, but he cannot be found. There was speculation this morning that he had fled, but nobody could believe he was able to escape considering the fact that the military authorities were in control. The current situation does make one tend to believe that Pablo Escobar escaped under uncertain circumstances. The president will give a speech at 2100. He is working on that speech right now. Afterward he will hold a news conference. Meanwhile, no official communique will be issued. We are simply reporting the scoop that this radio station carried early this morning. Caracol also learned from Antioquia Department authorities that the troops participating in the takeover of La Catedral Prison reportedly found—hear this well—not just one but several tunnels that comprised a truly impressive labyrinth. That situation has hampered the success of the combing operation and the search for the nine persons who are now accompanying Escobar Gaviria.

Caracol learned that QAP television newscast will carry a national scoop at 2030, which will be expanded when the Gaviria speech and news conference ends. [passage omitted]

### Governor, Mayor Deny Prior Knowledge of Events

*PA2207164492 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1512 GMT 22 Jul 92*

[Communique issued by Juan Gomez Artiles, governor of Antioquia Department, and Medellin City Mayor Luis Alfredo Ramos Botero on 22 July]

[Text] The governor of Antioquia Department and the mayor of Medellin city hereby make the following public statement regarding the events that transpired at the Envigado Maximum Security Prison:

1. The operation was ordered and directed by the national government.

2. That establishment was under the control of the National Directorate of Prisons.

3. Neither the governor, nor the mayor of Medellin, was informed by the national government. We consider this to be a slight to local authorities, who were elected by popular vote.

4. To comply with the duties we swore to fulfill on assuming our posts, we will be in our offices to take whatever measures are necessary to ensure tranquillity and to protect of the community of Antioquia.

[Signed] Juan Gomez Artiles, governor of Antioquia Department

Luis Alfredo Ramos Botero, mayor of Medellin

### Gaviria Delivers Speech on Prison Situation

*PA2307023492 Santa Fe de Bogota Inravision Television Networks in Spanish 0130 GMT 23 Jul 92*

[Speech by President Cesar Gaviria Trujillo in from Narino Palace in Santa Fe de Bogota on 22 July—recorded]

[Text] Colombians, I want to personally inform the public about the events in Envigado Municipality. The seriousness of the events led me to convene at 1000 on 21 July a Special Security Council session, which would be continued later at 1500. The meeting was attended by the attorney general and the general prosecutor, among others.

Throughout the evening of 21 July and the morning of 22 July, the council has closely followed events and has adopted, with the president of the Republic, the pertinent decisions. The incidents that have occurred, which

I will address in detail later on, were prompted by the inmates' determination to rebel and take several hostages in an attempt to block the state's actions. In doing so, they not only flagrantly violated the Penal Law, but also defied the justice to which they had surrendered.

As is publicly known, in 1990 the government issued decrees of a state of siege aimed at strengthening the administration of justice. Those decrees were intended to bring to trial those whom the country has identified as the most dangerous criminals and alleged perpetrators of terrorism, extortion, and drug trafficking. In the course of applying those measures, several persons turned themselves in, and judicial investigations are under way to gather evidence on their involvement.

Among those who surrendered to justice were Pablo Escobar Gaviria and 14 other men who belonged to the narcoterrorist organization led by Escobar. Those people were legally obliged to abide by penitentiary rules and abstain from violating those rules just like any other inmate.

However, intelligence reports and information provided by the Prosecutor General's Office clearly show that Pablo Escobar continued to be personally and directly involved in committing crimes from Envigado Prison. As previously stated in a government communique made public this morning, several people were kidnapped in Medellin last week, two of whom have been found tortured and murdered. Their burned bodies have been found in what appears to be a settling of accounts within the organization.

In addition, it was established that, in violation of all prison rules, well known criminals entered and exited Envigado Prison under circumstances that are currently being investigated.

Given this situation and the evidence of the complicity of some guards with the inmates, the Security Council, summoned to a special meeting, adopted the decision to undertake a military operation to secure absolute control of the Envigado Prison and move the inmates to a duly guarded military installation, with their rights being guaranteed by the Attorney General's Office.

That decision was also intended to avoid the possibility that the civil works being performed at the jail would pose a threat to the security of the jail itself and the inmates incarcerated there.

During the operation, the criminals used the prison guards' weapons to resist the government's legitimate actions. Taking advantage of the presence of government officials who had entered the penitentiary to observe the situation as it unfolded, the inmates took Deputy Justice Minister Eduardo Mendoza and Colonel Hernando Navas, the prison director general, hostage in an attempt to obstruct the security operation and prevent the government from gaining total control of the jail.

In light of this flagrant defiance of the state's legitimate actions, an unsuccessful attempt was made to persuade the inmates to call off their uprising, the kidnapping, and the bribery, which were totally unacceptable. Faced with that situation, the government ordered special forces into the complex to ensure the hostages' safety, to guarantee law and order, and to attain total control of the penitentiary. I would like to point out that the special forces managed to safely free the hostages, who had been held at great risk to their lives. More than half of the inmates were captured in a clean, efficient operation that complied with the technicalities and laws that regulate public forces operations. Despite those efforts, Pablo Escobar Gaviria has not yet been found. The Armed Forces and the security organizations continue to search the penitentiary premises and the surrounding area. If the fugitive should turn himself in voluntarily, his life will be respected.

The extreme seriousness of these events, the possible slow development of certain actions, and the disgraceful conduct of some of those who were in charge of directing and guarding the jail call for definitive action by the president of Colombia to ensure that law and order prevail and to determine who will be held responsible. Within the next few hours, and after reviewing the situation with the ministers of defense and justice, I will announce the measures I will take on this matter.

In addition, the government has reached the following decisions:

1. To continue the search for Escobar. If he should turn himself in, as I said before, the government will respect his life and guarantee that he receives an impartial trial in accordance with the law.

2. The government reaffirms its policy on voluntary surrender to justice, and the related rules and guarantees are still in effect for those who have taken advantage of said policy and respect it, as well as for those who decide to do so now.

3. The government reaffirms that its determination to attain peace has not been altered.

It was precisely that goal of preventing a return to a seemingly imminent narcoterrorist war that prompted me to make the decision I made under the specific conditions I mentioned. I was left with no other choice.

Respect for established rules within a legal state guarantees the existence of justice and peaceful coexistence. That was also one of the government's goals when it declared the state of internal disturbance, the need for which no one can doubt in the wake of what has transpired.

Colombians, I share the uncertainty you feel. I ordered the ministers of government, defense, and justice to keep you abreast of developments. Let us believe that the professionalism and courage of the Armed Forces and

the security organizations, who are fighting against impunity, will recover [word indistinct] peace.

I postponed my official trip to the Second Ibero-American Summit to face this challenge to the state and society. I urge you to stand beside me in this cause, which is everyone's cause, with the strength that has allowed Colombia to overcome more critical moments. I urge all good citizens, all my compatriots, to offer their solidarity to democratic institutions, the government, and the security forces.

I extend a hand to all Colombians and urge them to join the government in defending our republican system, regardless of ideologies or banners, with the same commitment we are all expecting from the international community, from which we need not only support and encouragement but concrete actions and palpable results more quickly and in increasing amounts.

We will hand over a dignified fatherland, a Colombia with all the peace it deserves, to our children, to the new generation of Colombians who are looking at their future with courage and expectations. Thank you very much.

## President Gaviria Holds News Conference

*PA2307035292 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2311 GMT 22 Jul 92*

[News conference by President Cesar Gaviria Trujillo with foreign and domestic reporters and unidentified moderator from Narino Palace in Santa Fe de Bogota—live]

[Text] [Moderator] We begin this news conference with a question by Raul Gutierrez of the 24 Hours newscast. Antonio Jose Caballero of RCN will take the next question.

[Gutierrez] Good evening, Mr. President. According to what you just announced to the country, can you clarify whether Pablo Escobar is missing, escaped, or dead?

[Gaviria] Well, I do not have a clear answer to your question. The government's most like theory is that he is hiding somewhere in the Envigado Prison or some nearby location. It seems extremely difficult to believe that after it was confirmed—and it was confirmed—that Pablo Escobar was in the jail at 0300—he remained with the deputy justice minister and the director of the prison system until that time—and despite the large number of Public Force officers surrounding the prison, they managed to break that tight military siege. It is not impossible. Perhaps it is even likely. However, we still believe that Escobar and nine of these persons are hiding somewhere. We are working intensively to find them, and we hope to have positive results.

[Announcer] The president of the Republic has just confirmed that Pablo Escobar and nine of his lieutenants are still missing. The news conference continues.

[Caballero] Given the fact that the deputy justice minister and other officials were at some point with Pablo Escobar when authorities and special forces made contact with them, it is not clear why Pablo Escobar was not arrested and confined to the Envigado Prison.

[Gaviria] If I am not mistaken, the events....[pauses] The deputy justice minister and the prison director were taken hostage at 2300 on 21 July. The Rural Special Forces arrived at the Envigado Prison at approximately 0300, and the Urban Special Forces arrived at the prison at about 0500. The operation was not ordered until all the special forces were at the location, and it was carried out at approximately 0730. Those are the facts as I am aware of them. That explains why the special forces' arrival did not coincide with the operation you mentioned.

[Announcer] The president of the Republic is explaining, here at Narino Palace, the problem generated by the riot staged by Pablo Escobar.

[Unidentified reporter] Good afternoon, Mr. President. There is talk of tunnels and gas masks. Therefore, it appears that the maximum-security prison at Envigado was not so secure. Otherwise, how else could you explain the disappearance, evasion, or escape of Pablo Escobar Gaviria?

[Gaviria] Yes. For some time now there have been numerous rumors concerning the Envigado Prison. There have been rumors about a tunnel that our prison and military authorities have been unable to find, although they have looked for it persistently.

Evidently the tunnel could exist. For some time now authorities have been trying to find it.

I would like to have an explanation for what has happened, and I hope those responsible for this operation can find some satisfactory explanation for this current situation. Anyway, even under these circumstances, we continue to work, believing that the most likely theory is that they may be hiding somewhere near or within the Envigado Prison. We have not found the tunnel, and we do not think it was possible for them to have bypassed the military blockade at the time personal contact was lost and only radio contact maintained.

Between 0300 and 1000, there was radio contact with Escobar. To be exact, the prison director had radio contact with him until 1000.

[Moderator] Cesar Mauricio Velasquez of Caracol will ask the next question, and [word indistinct] Domingo De La Espriella will follow.

[Velasquez] Good evening, Mr. President. The deputy justice minister said today that one of Pablo Escobar's henchmen ordered that car bombs be planted throughout the country. He said it would again rain dynamite all over Colombia. Is this the announcement that the country will return to the dreadful situation of narcoterrorism?

[Gaviria] I hope not. Indeed, the deputy justice minister told me he had heard those kinds of comments from some of the people held at the Envigado Prison. I hope that does not happen. The authorities have taken a number of safeguards to keep that sort of thing from happening. I do not think any Colombian wants to return to the horrible times of narcoterrorism. I am confident that sort of situation will not arise. We are working with Defense Minister Rafael Pardo Rueda, the Administrative Department of Security, and the National Police on preventive measures to avoid that kind of situation.

[Ricardo Canon] Good evening, Mr. President. Do you know if the U.S. Government or the DEA intervened at any point in the operations that took place a few hours ago at Envigado prison to get Pablo Escobar? One must keep in mind that the authorities of that country announced recently that they will go to any country to seek those who have broken their laws.

[Gaviria] I frankly do not think that happened. I do not want to guarantee completely that it did not happen, because I was not in charge of operations at the Envigado Prison. I do not think it happened. I think everything happened under the direction of the Armed Forces on orders from the Defense Ministry and General Manuel Alberto Murillo, acting Armed Forces commander in chief. I think it is highly unlikely for an incident like the one you mentioned to have happened. In addition, weather conditions were very bad and would have prevented the necessary air operations. Although I cannot make any guarantees that it did not happen, I think it highly unlikely.

[Unidentified reporter] It is said Pablo Escobar Gaviria is missing. If he is recaptured or voluntarily surrenders, will the guarantees of your policy whereby criminals agree to submit to justice be kept, or will he be treated differently?

[Gaviria] Anyone who agreed to abide by the 1990 decrees to which you are referring has his rights. Those rights do not disappear when that person is facing new charges. When that person is found guilty of any count of kidnapping or any other charge made by the prosecutor general, he loses the rights contained in the decrees. The guarantees for the safety of persons is another matter. That is different from the rights contained in the aforementioned decrees. Regarding those guarantees, the government is always ready to find the means to guarantee the lives of inmates. To be sure, in the face of the possibility and evidence that inmates are engaging in criminal activities, the government feels fully entitled to withdraw those guarantees.

[Unidentified reporter] Two colleague of yours, Venezuelan President Carlos Andres Perez and Peruvian President Alberto Fujimori, did not go to the Madrid summit because their countries are experiencing particularly critical situations. Why is the situation in Colombia so critical that it keeps you from traveling?

[Gaviria] I think the explanations I am providing in this news conference and the concern among Colombians that Pablo Escobar be found soon justify the fact the president is not traveling to the Ibero-American Summit.

You all know the president had intended to travel, but he encountered these unfortunate developments. I would not feel right about leaving my country amid these difficulties and the uncertainty and uneasiness created by developments of this nature. That is why I was forced to stay in Colombia, a situation I would be willing to reconsider at any time after we determine the whereabouts of Pablo Escobar.

[Announcer] The president reaffirmed he will only decide whether to go to Spain when the whereabouts of Pablo Escobar are known. A local journalist is now asking a question.

[Unidentified reporter] [Words indistinct] some intelligence reports and information from the Public Prosecutor's Office stating that Pablo Escobar is directly involved in crimes committed from the prison. Could you discuss the scope of such reports?

[Gaviria] I do not wish to express an opinion on the scope of those reports because I would be obstructing the investigations. What is clear to the government—which justified the decision it made on 21 July—is specifically that there are intelligence reports, and also reports in the hands of the attorney general, of sufficient testimonies and evidence that Pablo Escobar was committing crimes from jail. Moreover, those reports indicate that certain criminals were also taken to Envigado Prison and allowed to leave, which illustrates the precarious security situation at the Envigado Prison.

These are, of course, charges and not sentences, but this was enough for the Security Council to make the decision it made on 21 July: That the Armed Forces assume security responsibilities at the Envigado Prison and eventually order the transfer of its prisoners to military installations and other jails in the country.

[Announcer] This is a news conference at [words indistinct] with President Gaviria. According to the press chief of the [word indistinct], this will be the last question [as heard] because there is no time for more.

[Unidentified reporter] Mr. President, given the seriousness of the situation and the dangerous nature of Pablo Escobar, could the government eventually consider presenting a bill to amend the Constitution to make it possible to extradite certain Colombians who are too dangerous?

[Gaviria] No, that is something in our Constitution that I do not think anyone wants to change. The government's policy is to strengthen justice, and we will not stray from that policy. On the day that the congressional session was opened, I emphasized the great efficiency demonstrated by the Attorney General's Office and the virtues shown by the new justice institutions. That is the

government's policy, and we will cling to it even if we encounter great obstacles such as not being able to determine the whereabouts of Pablo Escobar. We believe in the policy of strengthening Colombian justice.

[Announcer] [words indistinct]

[Unidentified reporter, in progress] ...in view of the possible failure of your policy to bring narcoterrorists to justice, do you not think the government and the country is [words indistinct] a burden and international embarrassment justifying the failure of that policy in the face of Escobar's possible escape.

[Gaviria] No, I do not think the policy to bring them to justice will fail, even if we should not be able to determine the whereabouts of Pablo Escobar in the short term. I think this is a policy that enjoys great support among the citizens; it is a civilized (?solution) to Colombia's problems. The fact that one of the [word indistinct] who surrendered to justice committed crimes again does not mean that this is a bad policy. That is why I pointed out that those who surrendered to justice, those who received guarantees, those who have rights in keeping with decrees issued in 1990 can rest assured that if they do not commit crimes again, the government will struggle to see that the rights and guarantees granted them are maintained.

[Moderator] Olga Gonzalez of LA PRENSA.

[Gonzalez] President Gaviria, which criminals entered and left the Envigado Prison? Also, have any steps been taken to find them?

[Gaviria] No, that information would alter the course of the prosecutor's investigation, and mentioning their names would also hinder the work of our intelligence organizations. However, it is evident that both the intelligence organizations and the prosecutor have evidence in their hands regarding such cases.

[Moderator] Marta Toro of the Televisa Newscast.

[Toro] Mr. President, is there any indication that the Ochoa brothers [words indistinct] Envigado Prison?

[Gaviria] I have not heard anyone in the intelligence organizations or in the Armed Forces say that there is any link between the people who surrendered to justice, headed by Pablo Escobar at the Envigado Prison, and those who surrendered to justice and are now housed at the Itagui Prison. As far as the president of the Republic knows, based on the information he has, the situation at the Itagui Penitentiary is normal.

[Moderator] The last question is for [words indistinct].

[Unidentified reporter] Mr. President [words indistinct], how will Colombia face the world when—as the media has reported—Pablo Escobar has escaped from the maximum-security jail of Envigado when it was said that his extradition was not allowed because Colombian jails are very secure?

[Gaviria] We are the country that has by far made the most sacrifices in the struggle against drug trafficking; that has sacrificed thousands of lives in the struggle against drug trafficking; that has sacrificed the lives of some of its best leaders in the struggle against drug trafficking; that has sacrificed the lives of hundreds of policemen, dozens of judges, Supreme Court of Justice magistrates, and presidential candidates. Colombia can count on the fact that that is its past history. I am sure the international community will recognize that. I do not rule out the possibility that the international community could have some concerns. I think the international community will continue to recognize the leadership role that Colombia has played in the struggle against drug trafficking and the immense sacrifices we have made in that struggle.

## Paraguay

### Rodriguez Departs for Ibero-American Summit

*PY2207020292 Asuncion RPC Television Network in Spanish 0100 GMT 22 Jul 92*

[Excerpts] President Rodriguez left today on a one-week tour through Spain. During his stay in Spain the president, who is accompanied by a small entourage, will attend the second Ibero-American summit, the Seville World's Fair, and the Barcelona Olympic Games. [passage omitted]

During President Rodriguez' absence from the country, Senate President Gustavo Diaz de Vivar will be acting president, as established in the new Constitution. [passage omitted]

### U.S. Envoy Said 'Meddling' in Party Affairs

*PY2207220092 Asuncion Radio Cardinal FM in Spanish 1537 GMT 22 Jul 92*

[Interview with Colorado Party Deputy Julio Cesar Vasconcellos, by Oscar Acosta—recorded]

[Excerpts] They want to distort the image of the Colorado Party, Deputy Julio Cesar Vasconcellos, [word indistinct] of the Colorado Party Executive Board, said. He is referring to the latest charges made by the PLRA [Authentic Radical Liberal Party] about the disappearance of computers from the Central Electoral Board and the supply of identity documents for Colorado Party (?sympathizers). What is the objective of this campaign, according to Deputy Vasconcellos? [passage omitted]

We asked Deputy Julio Cesar Vasconcellos to tell us what is the external factor that makes this an international issue.

[Vasconcellos] The charges made to certain embassies. They go and complain to the embassies. This is what also happened with Stroessner. Stroessner enjoyed the support of the U.S. Embassy just like they [the PLRA] currently enjoy the support of the U.S. Embassy which is

meddling—this Ambassador Glassman is meddling in our affairs, he thinks he is some kind of proconsul here. They went and made the charges. Well, this is what happened before, and it later turned into a factor of oppression against the Paraguayan people. We do not want this. They must make a responsible accusation here or abroad, in the OAS. It is all right but they must present evidence. They should not make irresponsible charges in totally abstract terms. That is what we want. We will discuss this in panels; let them lay the evidence on the table. They must tell us in what case the computers were loaded. They have the voting lists. The Colorado Party and the PLRA received copies of the voting lists in October 1991. Now they are being loaded in the computers again. They must request the voting lists. Yesterday I read in the newspapers that they requested a copy of the voting lists so they will probably obtain it.

[Reporter] But Glassman seems to be more linked with the Rodriguez administration rather than with the opposition.

[Vasconcellos] No, the facts are demonstrating the opposite.

[Reporter] In what case, for example?

[Vasconcellos] In this case, in which they are making irresponsible accusations about the alleged loss or theft—no one understands what they say—of the computers. You know that the ambassador said that the aid to the Colorado Party Executive Board will be suspended. And who in the end needs their help? No one. They are talking about 15, 20, or 30 computers. That is nothing for a government.

## Peru

### Fujimori Meets With Military Chiefs, Cabinet

*PA2307025292 Lima Global de Television Network in Spanish 0100 GMT 23 Jul 92*

[Text] President Alberto Fujimori is holding an extraordinary meeting at the government palace with the Armed Forces top command and some cabinet members. The area around the Plaza de Armas was closed for security reasons. The head of state and the top military commanders are reportedly assessing violence in Lima in light of the increase in terrorist activities. On the morning of 22 July, Army Commander General Nicolas de Bari Hermoza announced that surveillance will be doubled to ensure the free movement of the people. An armored vehicle was placed outside the palace, and the number of policemen was doubled. Although relative calm prevails here in the midtown area, policemen are paying close attention to anything that may happen. President Fujimori is reportedly going to announce new measures to contain the escalation of violence in Lima. Today's meeting is expected to last late into the night until Foreign Minister Oscar de la Puente arrives from Madrid.

### Group Wants Fujimori Resignation

*PY2307011492 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 23 Jul 92*

["Last minute" report by (Jorge Awata) from Lima—live]

[Text] President Fujimori is holding a meeting with his entire cabinet at the government palace to evaluate the national situation.

Reportedly, the Armed Forces are meeting at the so-called little Pentagon. Unconfirmed rumors indicate that a group of Armed Forces members is requesting that Fujimori leave the presidency and that Maximo San Roman, who was removed from the office of first vice president after the last coup, become president. This is the latest news here in Lima.

### 'Barbaric Actions,' 'Terror' Continue in Lima

#### More on Bolivian Embassy

*PA2207133692 Lima Panamericana Television Network in Spanish 1200 GMT 22 Jul 92*

[Text] An irrational wave of barbaric actions and terror continues in Lima. On the night of 21 July, a few minutes after the traffic restriction period began, subversive groups detonated a car bomb in front of the Bolivian Embassy located in the San Isidro neighborhood. The explosion seriously injured seven people, including two minors, and caused considerable damage. A police station in Miraflores, the municipal building in Brena, and a toll booth in Santa Anita were also targets of attacks.

Volunteer firemen reported that five people were injured as a result of a bomb attack in front of the Bolivian Embassy. The embassy building, located on the first block of the Daniel Carrion Avenue in the San Isidro neighborhood, was totally destroyed.

The terrorists used a vehicle with license plate number AI4298 as a car bomb.

Several policemen and firemen are at the Bolivian Embassy to investigate the incident. Apparently, the terrorists used more than 200 kg of dynamite and amfo [mixture of ammonal and gelatine dynamite] to carry out this demented action.

A security police post located in front of the embassy was also seriously damaged as a result of the blast. According to preliminary reports, four persons were injured by the bomb attack, which occurred after 2200.

Meanwhile, the toll booth in Santa Anita was attacked early on 22 July. The driver of a Volkswagon who had

just arrived at the toll booth was injured in one hand. The attack caused great damage.

Four employees were miraculously saved when one of the guards at the Santa Anita toll booth discovered a car bomb that destroyed three toll booths and injured one person, who was taken to the 2 May Hospital.

According to reports, a few minutes after the period of traffic restrictions began, terrorists left a Toyota car with license plate RO6752 a few meters from the second toll booth. One of the guards noticed smoke coming from the car and alerted his companions, who managed to flee. The explosion occurred a few seconds later.

Carlos Garcia Manrique, a driver who was about to pay, was injured by shrapnel. He was evacuated by one of the guards and taken to a hospital.

The installations of the Santa Anita toll booth were completely destroyed, and another one located a few meters away for southbound vehicles was partially damaged.

### Bomb Wounds Students

*PA2207135392 Lima Panamericana Television Network in Spanish 1308 GMT 22 Jul 92*

[Text] A car bomb exploded at the Pedro Ruiz Gallo secondary school in Chorrillos approximately 20 minutes ago, wounding several students. The vehicle was left in front of the school early this morning. This school is attended by sons of military personnel and of low level Army personnel.

### People Work Despite Attacks

*PA2307033092 Lima Global de Television Network in Spanish 0100 GMT 23 Jul 92*

[Excerpts] The people of Lima have strongly rejected the terrorists' acts of intimidation by returning to work. The imposed traffic limitations that were reported early in the morning of 22 July did not keep the people from teaching a lesson in civic spirit and unity by walking, riding in trucks, and using every other kind of transportation. United they did their share of the country's work, despite acts of intimidation such as the one reported in the northern section, where police were kept busy. One courageous soldier was wounded while trying to defuse a bomb. Since early this morning the people in the northern section came out to find a way to work after the labor minister announced on 21 July that nobody would be penalized for arriving late to work. As we can see, National Urban Transport Enterprise buses are packed coming down from Collique to Lima. All kinds of vehicles, including motorcycles, are being used to go to midtown Lima from the northern section. [passage omitted]

At 0900 on 22 July a bomb exploded at the headquarters of Municipal Agency Number Eight in San Martin de Porres, destroying the office interior. Typewriters and adding machines were totally destroyed. At nearly the same time police were on their way to San Gabino hill, where the subversives had hung their flags. The subversives left explosives along their escape route. A policeman is collecting more flags that had been hung along posts on this avenue leading up to San Gabino Hill. [passage omitted]

### Navy Base Attacked

*PA2307045192 Paris AFP in Spanish 0422 GMT 23 Jul 92*

[Text] Lima, 22 Jul (AFP)—Shining Path terrorists on the evening of 22 July attacked a naval air base of the Peruvian Navy. The base was hit by a bomb that caused significant damage but no casualties, police reported.

The subversives fired a mortar shell from 300 meters away and hit the officers' dormitory, which was empty, the police added.

The attacked base is at the El Callao Port, which is next to the Lima Airport and a police air base.

In another subversive action, five Shining Path members, including one woman, stole an ambulance from a Lima hospital, which generated alarm among police in view of the possibility it could be used to carry out a terrorist attack.

On 22 July Shining Path imposed upon pain of death the first day of a 48-hour "armed stoppage" that resulted in three dead and at least five burned vehicles amid a wave of about 40 dynamite attacks in various sectors of the capital.

Meanwhile, streets are deserted in downtown Lima and isolated gunfire and submachine-gun bursts can be heard, but it is not known whether the soldiers are firing for dissuasive purposes or to detain suspects.

### Bolona Interviewed on Disbursements, Credit

*PY2207161092 Lima LA REPUBLICA in Spanish 12 Jul 92 Sunday Supplement pp 8-11*

["Exclusive" interview with Economy Minister Carlos Bolona Behr by Mariella Balbi; place, date not given]

[Excerpts] [passage omitted] [Balbi] Will we continue paying the $60 million to financial organizations?

[Bolona] Yes. We have to. Because of these payments we are receiving disbursements. We have received $100 million from the IDB [Inter-American Development Bank]. It will arrive within two weeks. It is the second parcel of the commercial credit...

[Balbi] You know that afterward there will be no more disbursements.

[Bolona] We will have to negotiate on difficult terms with the financial sector, which is tied up with the

development of the CCD [Democratic Constituent Congress]. However, AID has given us $25 million that is freely disposable.

[Balbi] Let us say that they will no longer give us money...

[Bolona] We have to differentiate between credits and disbursements...

[Balbi] Speak more clearly. Do you know that new credits will not come?

[Bolona] Let us suppose that the $200 million for the financial sector is delayed until the CCD. Once this problem is solved, the credits will come. We are negotiating with the IDB.

[Balbi] Where will you find money to keep paying the $60 million a month?

[Bolona] Let us not forget that the support group disbursed a good portion, almost 80 percent. We have the money. It will be taken from there. In 1993 we will have to adopt another plan. We will have to pay a total of $1.8 billion. The World Bank can make a bridge credit because...

[Balbi] Do you think that someone will lend us money with a CCD in between and with the current political situation?

[Bolona] We have to solve this situation. That is for 1993 and not for 1992...

[Balbi] But there might be a CCD that will not inspire confidence abroad...

[Bolona] Why do you assume that? There is a commitment to hold a CCD and it will be achieved. If the bridge credit is obtained there will be no problem.

[Balbi] When do you think the new credits will be arriving?

[Bolona] Before the CCD it will be difficult to obtain a financial credit. We will do what is possible. With the World Bank and the IMF we have to clear the delays. We will complete that by the end of 1992. Then we will receive credits from the World Bank and the IMF. We have fulfilled the IMF goals for March and June, and we are in a position to meet September's. We will have to see what happens in December, especially concerning the foreign flows, and we might even fulfill the December objective. It is possible to meet the IMF demands.

[Balbi] Most analysts believe that the reinsertion has failed...

[Bolona] It is a way of making news. Obviously, some elements have been suspended, such as the disbursement of financial credit until the CCD. We also must continue negotiating the loan for agriculture, health, and social support.

[Balbi] The coup d'etat has seriously affected the reinsertion, why not admit it?

[Bolona] Well, I do not call it a coup d'etat, but an institutional reform.

[Balbi] And that is because you wear no uniform.

[Bolona] (Laughs) Reinsertion has been delayed. But we keep up our goals and we keep negotiating. It has had an effect, but we cannot say that the world has ended.

[Balbi] Don't you think that in deciding on the coup the government did not think about the foreign front very much?

[Bolona] I repeat. I do not call it a coup...

[Balbi] OK, but do not let me call black white.

[Bolona] Yes, I understand that in the ministerial cabinet there were different opinions on the foreign front. For me it was a great concern. Other ministers believed that it would be solved easily, that it would be solved after applying some pressure. There was bad judgment.

[Balbi] The lack of legal stability is a serious problem, don't you believe?

[Bolona] To the extent that we are developing and are achieving more success, we are gaining legal stability...

[Balbi] But it is very precarious, isn't it? The CCD itself can change rules...

[Bolona] I doubt that if we are successful on crucial issues the CCD will decide to change everything. The CCD somehow must reflect the feeling of the independent people. The more success we achieve, the more possibilities we will have to amend the reforms. [passage omitted]

[Balbi] Why have you earmarked a million dollars for the Office of National Dialogue for Peace and Development, while you refuse to grant a comparable loan to Apurimac peasants for coca eradication?

[Bolona] The Foncodes [National Fund for Social Development and Compensation] will be in charge of channeling all financial resources for peasants. However, it is not I but the Ministry of the Presidency which controls Foncodes.

[Balbi] Where will the money President Fujimori is offering during his tours come from?

[Bolona] From Foncodes, from funds the Ministry of the Presidency has at its command, namely $100 [as published] from the Fonavi [National Housing Fund], as well as the proceeds from the privatization fund, which will also be administered by the Ministry of the Presidency.

[Balbi] That means that the Ministry in question will administer more than $200 million...

[Bolona] We should work out the figures.

[Balbi] I am curious to know why it is that electricity rates go down in Colombia whenever there is an electric energy shortage, whereas they go up here?

[Bolona] We should take a look at what the public utilities committee is doing.

I believe that there should be a system based on prices, and that the rates we pay should be proportionate to the energy we consume. The fact is, we will have to burn oil...

[Balbi] Do you think that rates are proportionate to consumption...?

[Bolona] I cannot say for certain; that is why I have just told you that we should take a look at what the public utilities committee.

[Balbi] You used to describe yourself as an technocrat, but you are becoming more and more politically oriented. Do you intend to liaise between the administration and the opposition?

[Bolona] I am just a technocrat...

[Balbi] I have never seen a technocrat who speaks about the countercoup, or about the fact that Fujimori will leave power in 1995, among other things...

[Bolona] Well, I have been appointed to a political post. I can give my personal point of view on different issues, but it is incumbent upon the prime minister to get down to particulars. The thing is, I have friends among the politicians, so insofar as it is possible I am going to try my utmost to seek a better understanding between political parties.

[Balbi] Have the rules of the game for the reinstatement of democracy been set?

[Bolona] We are in the process of doing so.

[Balbi] Aren't you concerned that with the negative report issued by the U.S State Department, we have been discredited internationally?

[Bolona] If the United States did not trust us, they would not be giving us $25 million in aid. They would politicize the IDB even more.

[Balbi] Let us not exaggerate. It is quite a telling report, isn't it?

[Bolona] The outcome of our meeting with Bernard Aronson is just the opposite of what the report released by the U.S. State Department points to.

[Balbi] You have met with Belaunde and Sanchez. Have you had other meetings with political leaders?

[Bolona] Some of them are my friends, so we usually get together to talk and exchange ideas. Therefore, I will keep on doing so.

[Balbi] You said a countercoup was not likely. On 8 July, however, high-ranking Army commanders held a very particular type of meeting. Isn't this an indication of dissatisfaction?

[Bolona] I do not see it that way. I would rather see it as an effort to show consistency between what was said in The Bahamas and what is being said with respect to the political party system; it is an effort to reiterate that the idea is to change the political party system, including the Armed Forces.

[Balbi] Why are you so sure that there will be no countercoup?

[Bolona] Because the changes in the judicial branch and in the security area were necessary for introducing changes in the Armed Forces. The Armed Forces needed that flexibility.

[Balbi] Have we moved forward in the judicial area?

[Bolona] I think the judicial branch has been comprehensively restructured, something that not even Chile was able to do in 15 years. We are introducing a change, but it has to be deeper and more radical.

[Balbi] You have said that the salaries paid to Armed Forces personnel will not grow. How long will that restriction hold?

[Bolona] They got a salary increase between March and April. Last year they had two salary increases, in March and September. The health and the education areas had only one salary increase. The same treatment will probably be given to the Armed Forces this year.

[Balbi] Aren't you afraid of the impatience of the military, in view of their low salaries?

[Bolona] We are doing what we can. I cannot give what I do not have.

[Balbi] Should the military vote?

[Bolona] I have not thought much on the subject.

[Balbi] Won't the postponement of the municipal elections cause more political instability now?

[Bolona] To me, the important thing is the implementation of the CCD, which is scheduled for 22 November. This is crucial. The municipal elections were postponed on other occasions, and no one made any claims.

[Balbi] Make an imaginative effort: If you were offered the post of prime minister, would you accept it?

[Bolona] There is a prime minister, who is doing a good job, and we support him...

[Balbi] Imagine there are changes on 28 July...

[Bolona] I do not expect changes.

[Balbi] Now that 100 days have passed, what was the reason for the coup?

[Bolona] To make progress in the reform of the judicial branch and in the security area. The institutional reform was not designed to suit the economic program, but to introduce other reforms and even to promote democratization, as we will see in the CCD. These are the three main reasons.

[Balbi] Let's take an example. Three months ago you had to turn your house into a bunker [preceding word in English]. Have we made any progress in the security area?

[Bolona] I did it for my neighbors, rather than for myself.

### Ministry Accused of Neglecting 'Basic Functions'

*PY2207153492 Lima CARETAS in Spanish 13 Jul 92 p 24*

[From the "Undercurrent" column]

[Text] A Foreign Ministry technical group has prepared a study demonstrating from a geopolitical viewpoint the inconveniences of Peru's leaving the Andean Group. Nonetheless, when Oscar de la Puente, president of the Council of Ministers and foreign minister, received it, he immediately ordered it to be stamped with the words "read by the minister" and sent to the archives.

Once again the Foreign Ministry is refusing to carry out one of its basic functions: to independently define foreign policy, as is done in the Andean Group countries. All it is doing is to mold its decisions based on the technocratic viewpoints of the MEF [Ministry of Economy and Finance].

### Electric Power To Be Deregulated, Diversified

*PY2207151892 Lima CARETAS in Spanish 13 Jul 92 p 23*

[From the "Undercurrent" column]

[Text] [Energy and Mines] Minister Jaime Yoshiyama has requested that a UN mission evaluate national and foreign bids for the purchase of the new electricity generating plant for Lima. The plant will cost $50 million.

A World Bank mission is going to advise the government on a new electricity rate law. Electricity rates are to be deregulated. This new law will diversify the business activities of Electroperu [Peruvian State Electric Power Enterprise] so as to prevent a monopoly. While one company will be charged with production, another company will be charged with the sale of electricity, and a third will be charged with projects and development. This type of organization will be used for each of the electricity generating plants.

### Poll Says Majority Still Prefers Fujimori

*PA2007184792 Lima Panamericana Television Network in Spanish 0100 GMT 20 Jul 92*

[Excerpt] What do the people of Lima, after two years under this administration, think of this government, of the opposition, of what is being done, of what is being proposed, of the problems of the people and the country?

A poll conducted by Apoyo Inc. provides revealing information. The poll was conducted 10-12 July among a random sample composed of 504 persons over 18. Its maximum margin of error is approximately 5 percent and the level of accurracy is 95 percent.

Here is the report:

Does metropolitan Lima approve of the current government? Fifty-eight percent of the people approve of it; 27 percent disapprove; and 15 percent have no comment. The approval of the government by the rich is greater than that of the poor but a majority of both sectors approve of it.

The poll explains that for each polled person on level A [the rich] there were 10 polled persons on level D [the poor]. It is important to remember this while reading the poll results.

Fujimori has more approval than his government: 65 percent as compared to 23 percent. He enjoys a 60 percent approval at all levels.

Sixty-six percent of the people disapprove of the political opposition, which has the approval of 20 percent of the people. The disapproval for the opposition is highest at level A: 78 percent.

Mr. De la Puente, head of the national dialogue commission, has a 36 percent approval. [Economy Minister Carlos] Bolona has a 56 percent approval, with a marked difference between the enthusiastic approval rate at level A and the disapproval rate at level D, the poor people's level.

Prior to the Miraflores tragedy, and this must be underlined, 49 percent of the people approved the government's antisubversive policies, while 40 percent disapproved; and 44 percent of the people approved the economic policy, while 41 percent disapproved.

Fifty-six percent of the people believe we are moving in the right direction. There are many different answers to the questions on what has improved, what remains the same, and what has worsened. According to the answers, economic policy has improved but the employment situation has deteriorated; freedom of expression, decentralization, education, and the health situation remains the same; the crime situation has gotten worse. There are diverse opinions on the control of corruption. The people believe that control of the inflation rate and of terrorism has improved. This opinion poll was conducted, we repeat, before the Miraflores tragedy.

According to the poll results, the labor legislation, human rights, and drug-trafficking situations have not changed.

The majority of those polled believe that privatization is positive. A big majority, which on some issues reaches the 60 percent level, agrees with the privatization of state enterprises and with specific plans that either are to be carried out or that already have been implemented.

Apoyo's poll took on the political setting. Let us keep in mind that this poll was conducted 10-12 July, prior to the Miraflores tragedy. Let us take a look at the results:

What is the country's main problem right now?

Thirty-five percent of the people believe it is the economic situation; 21 percent, terrorism; and 13 percent, unemployment.

The answers vary quite a bit according to the economic level of the polled citizens. People on level A are most concerned with terrorism. People on level D, understandably, are more concerned with the economic situation.

When problems appear listed in cards, the majority of the people pick terrorism as the biggest problem, followed by unemployment and poverty.

The events that people view as most positive in the second year of the Fujimori administration are, in this order, the closing of Congress, the work conducterd by Sunat [National Superintendency of Tax Administration], the arrest of subversives, and controlling inflation.

Thirty percent of the people said that during this second year of the administration, the expectations they had about the government have been met. Fifty-four percent feel the opposite way. Thirty-six percent of the people believe that in a year's time Peru will be in better condition; 33 percent believe the situation will be the same; and 24 percent think the situation will be worse.

Regarding elections, the majority are in favor of obligatory voting, complete-list voting, and national tickets. This majority is larger in the popular sectors. Fifty percent of the people agree with allowing the military to vote. Thirty percent are against it.

The majority believe that the voters could get confused if they have to elect congressmen, mayors, and regional governors in one, single election.

Those polled were asked: For whom would you vote if the elections for the Constituent Assembly were to take place tomorrow? Twenty-four percent would vote for independent persons; 23 percent for Change-90; seven percent for Liberty; five percent for Revolutionary Popular Alliance; and other parties would receive, each, less than five percent of the votes.

Who are viewed by the people as opposition leaders? Vargas Llosa, San Roman, and Belaunde have the top rating.

Regarding municipal elections, the independent and Change-90 hopefuls are preferred by the people. [passage omitted]

## Uruguay

### Lacalle Discusses Privatization, Social Policies

*PY2307034292 Montevideo Radio Carve in Spanish 0000 GMT 23 Jul 92*

[Excerpt] The president of the nation has a very crowded agenda in Spain. Speaking at the closing ceremony of the seminar called Latin America in the New Economic Status Quo organized by the IDB [Inter-American Development Bank] and the HERALD TRIBUNE, President Luis Alberto Lacalle Herrera said: whatever we manage to save by streamlining our expenditures will be used to fulfill social objectives.

The chief executive spoke about privatization in Uruguay to explain that this process is being used to redefine the role of the state. This is an excerpt of President Lacalle's remarks in Madrid:

[Begin recording] Sometimes people ask me how our privatization program is going. We are not focused on privatization. Privatization is just the means for redefining the role of the state because many people believe that social policies automatically mean prosperity.

For many years we lived in this dream, this mirage, this delusion, but [words indistinct] social policies. Besides, those who talked more about generous social policies were the ones that worried the least about making sure that there was prosperity to finance them. Thus, rising aspirations were thwarted by the lack of funds to finance them.

Today, new concepts of society and state show us that we must streamline our expenditures in order to fulfill redefined social objectives. [end recording] [passage omitted]

## Venezuela

### Amendment on Direct Vote System Approved

*PA2207133892 Caracas Venezolana de Television Network in Spanish 0000 GMT 22 Jul 92*

[Excerpt] The Congress has just approved Article 31 of the constitutional amendment on the election of senators, deputies, councilmen, and community boards. In the final debates, and when it was time to vote, the Movement Toward Socialism, New Democratic Generation, and the Social Christian Party abstained because they disagreed with the Democratic Action [AD] proposal, which was ultimately approved. Although Article 31, regarding the use of the direct vote, has been the subject of wide discussion for the past two weeks, 11 proposals were still pending. For that reason, the debate was postponed and the vote was taken on the afternoon of 21 July. Henry Ramos submitted the AD proposal, which was approved by a 10-vote margin. The proposal establishes the direct voting system for municipal and community board elections. A different system will be employed for the election of senators and deputies to the Congress and legislative assemblies. The principle of proportionate representation of minorities is, thereby, respected. [passage omitted]